



**SACOSS' Submission to the
Essential Services Commission of South Australia on
the off-grid energy consumer protection framework Review**

March 2022

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Introduction

The South Australian Council of Social Service is the peak non-government representative body for health and community services in South Australia, and has a vision of *Justice, Opportunity and Shared Wealth for all South Australians*. SACOSS does not accept poverty, inequity or injustice. Our mission is to be a powerful and representative voice that leads and supports our community to take actions that achieve our vision, and to hold to account governments, business, and communities for actions that disadvantage vulnerable South Australians.

SACOSS' purpose is to influence public policy in a way that promotes fair and just access to the goods and services required to live a decent life. We undertake policy and advocacy work in areas that specifically affect disadvantaged and low income consumers in South Australia. With a strong history of community advocacy, SACOSS and its members aim to improve the quality of life for people disadvantaged by the inequities in our society.

SACOSS has a long-standing interest in the delivery of essential services. Our research shows that the cost of basic necessities like water and electricity impacts greatly and disproportionately on vulnerable and disadvantaged people.

SACOSS would like to thank the Essential Services Commission of South Australia (ESCOSA) for the opportunity to provide feedback on the *Off-grid energy consumer protection framework Review Consultation Paper*, dated November 2021 (the Consultation Paper), which includes further consultation on the review of the Prepayment Meter System Code (Prepayment Code). We wholeheartedly welcome this Review, and congratulate ESCOSA on its acknowledgment of the importance of ensuring remote and regional energy consumers are meaningfully supported to maintain connection to an energy supply, in line with the rest of the South Australian community.

It is important to note this Consultation Paper was published in November 2021, weeks before the South Australian Government gazetted Regulations¹ on 9 December 2021 requiring ESCOSA to make prepayment mandatory for residents in RAES Aboriginal Communities. Making prepayment mandatory has a significant impact on the matters the subject of this Review, particularly in relation to the review of the Prepayment Code. We therefore strongly urge ESCOSA to do all that it can to delay the introduction of charging in RAES Aboriginal Communities from its planned implementation on 1 July 2022, until the completion of this consultation. To do otherwise will create confusion for residents and service providers, and will expose residents requiring energy for life support to unacceptable risk.

Rather than repeat background information and submissions SACOSS has previously made on the issues raised in this Consultation Paper, we are seeking ESCOSA take into

¹ The *Electricity (General) (Payment Condition) Variation Regulations 2021* gazetted on 9 December 2021 (No. 80 p. 4331)

consideration the relevant matters contained in the following previous SACOSS submissions, as part of this Review:

- SACOSS, [Submission to the Department for Energy and Mining on its consultation on proposed amendments to customer payment under the Remote Area Energy Supply \(RAES\) Scheme](#), 16 September 2021 (**attached**)
- SACOSS, [Submission to ESCOSA on the Prepayment Meter System Code Review](#), 11 May 2021
- SACOSS, [Submission to ESCOSA on its Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), 30 September 2020

SACOSS remains strongly opposed to the introduction of mandatory prepayment in remote Aboriginal communities in South Australia, and we will be requesting the Legislative Review Committee inquire into the *Electricity (General) (Payment Condition) Variation Regulations 2021*, in accordance with its functions under section 10A of the *Legislative Instruments Act 1978* (formerly the *Subordinate Legislation Act 1978*). SACOSS' submission to the Legislative Review Committee will address each of the principles for scrutiny set out in the Legislative Review Committee Information Guide,² which we believe are relevant to a review of the Regulations.

This submission will aim to address each of the questions in the Consultation Paper, and will also reiterate our broader significant concerns around the previous South Australian government's imposition of a mandatory requirement for prepayment in RAES Aboriginal Communities, the use of prepayment meters for vulnerable customers more generally, and our strong support for the development of a Consumer Protection Code (the Code) for off-grid energy customers in regional and remote South Australia.

² Legislative Review Committee Information Guide (January 2022), access on Committee Information, [Legislative Review Committee](#) website.

Summary of Submissions

SACOSS has provided a summary of the submissions contained in this document, below:

- SACOSS strongly urges ESCOSA to do all that it can to **delay the introduction of charging in RAES Aboriginal Communities from its planned implementation on 1 July 2022**, until this consultation and further consultation on protections for mandatory prepayment customers is finalised.
- SACOSS is seeking ESCOSA accord zero weight to the current off-grid energy retailer performance data, acknowledging the outcomes of the Ombudsman's Investigation and the limited relevance of that data in an assessment of the adequacy of the current consumer protection framework for off-grid energy customers.
- SACOSS is seeking ESCOSA properly consider the levels of social and economic disadvantage and debt currently experienced by many members of the communities impacted by this Review, and the importance of ensuring fair, equitable and secure access to an energy supply for residents serviced by these licensees.
- SACOSS strongly supports the development of an Off-grid Electricity Retail Code (the Code) that expands on the current limited consumer protections to include the prepayment customer protections, processes to identify and support customers with additional hardship obligations, as well as corresponding monitoring and reporting requirements.
- SACOSS considers all 7 performance indicators for prepayment meter customers in the AER's reporting requirements should be reflected in ESCOSA's Prepayment Meter System Code.
- SACOSS welcomes further engagement on relevant performance indicators for consumer protection obligations under the proposed Off-grid Consumer Protection Code, and at a minimum we consider indicators on debt, hardship / payment plan customer numbers / disconnection / credit-collection / Centrepay and concessions should be included within the Code.
- SACOSS has provided a list of measures and principles we consider should be included in the proposed Code.
- If ESCOSA hasn't already done so, SACOSS suggests consultation between ESCOSA and the AEMC on the AEMC's SAPS Priority-2 work program may provide some useful opportunities for alignment between the proposed national direction and jurisdictional frameworks.
- SACOSS submits it is imperative retailers have processes in place for early identification and offers of support. SACOSS is happy to engage further on what these processes and measures might be.

- SACOSS supports the inclusion of Centrepay as an option for customers to pay their energy bills.
- SACOSS submits it is essential that sustainable and affordable payment plans are established having regard to a customer's capacity to pay, and guidance around this obligation would be useful for retailers.
- SACOSS supports the inclusion of the waiver of late payment fees within the proposed Code.
- SACOSS strongly supports customers being protected from disconnection in circumstances where they have applied for assistance.
- SACOSS supports the extension of the protected period to align with the National frameworks.
- SACOSS supports the extension of the protection from disconnection to complaints made to the retailer about the proposed reason for disconnection, where the complaint is unresolved.
- SACOSS strongly supports the alignment of the definition of 'life support equipment' under ESCOSA's frameworks with the definition under the NECF. This definition should be consistently adopted across both the proposed Consumer Protection Code and the Prepayment Code.
- SACOSS submits the requirements surrounding the Register for life support customers, including the responsibility for establishing and managing the register need to be clearly set out within the proposed Code.
- SACOSS considers a central register for all off-grid energy life-support customers, maintained by an independent party (South Australian government / ESCOSA), should be considered.
- SACOSS strongly submits that the Life Support Register, as well as supporting processes and procedures, need to be established to protect life support customers of off-grid energy retailers / distributors (who fall within the expanded definition), *prior to* the introduction of mandatory prepayment.
- SACOSS strongly supports ESCOSA being adequately resourced to enable a strong compliance focus on protections for off-grid customers in vulnerable circumstances, including life support customers.
- SACOSS is seeking feedback on whether ESCOSA considers that sections 6A(4) and 24B of the *Electricity Act* **requires it to be satisfied** that the licence condition requiring prepayment to be imposed under section 21(2) **is not inconsistent with** the regulatory requirements under the National Laws and Rules relating to prepayment?

If so, can ESCOSA demonstrate how it is satisfied the licence condition imposing mandatory prepayment is consistent with National requirements?

- SACOSS is seeking ESCOSA provide an explanation of how, as an independent statutory authority, it is reconciling its obligations, including its primary statutory objective under its enabling Act, with the Regulations requiring mandatory prepayment licence conditions.
- SACOSS submits the removal of consent, life support and hardship protections for mandatory prepayment customers is unacceptable on every level.
- SACOSS considers that if 'fit-for-purpose' consumer protections are to be established for *mandatory* prepayment customers, then those protections should properly be developed by ESCOSA in accordance with its consultation requirements, and should form part of an enforceable Industry Code with corresponding reporting obligations for the retailer. Given this consultation commenced prior to the mandatory prepayment Regulations, SACOSS considers additional consultation should take place.
- SACOSS submits it is unacceptable for the Minister to have discretion in relation to the protections for life support customers in RAES Aboriginal communities. As a blanket rule, retailers should not be permitted to enter into prepayment arrangements with life support customers, this is not a matter for the exercise of discretion.
- SACOSS submits the introduction of prepayment in RAES Aboriginal communities must be stopped until proper supports, information and education materials are in place, particularly in relation to life support customers.

Background

The consultation Paper establishes the purpose of this Review in the following terms (SACOSS' emphasis):

*This review will assess the existing off-grid energy consumer protection framework and make changes if needed. **Off-grid energy service provider performance data has not highlighted any major problems with the current consumer protection framework.** However, we are seeking feedback on some proposed changes to enhance the clarity and consistency of obligations between the off-grid gas and electricity markets.*

Limitations of current performance data

SACOSS considers the statement that performance data 'has not highlighted any major problems with the current consumer protection framework' for off-grid energy customers in South Australia is potentially misleading. This statement has been made on the basis of current performance reporting requirements, and fails to acknowledge the:

- significant limitations of the current performance reporting metrics
- extensive investigation undertaken by the Ombudsman SA³ into the District Council of Coober Pedy's (DCCP) mismanagement of energy debts for members of the Aboriginal Community,
- current arrangements where residents in remote Aboriginal communities are covered by the RAES Aboriginal Communities Scheme, and receive fully subsidised electricity
- future impacts of the decision by the South Australian government to impose mandatory prepayment for energy on residents covered by the RAES Aboriginal Communities Scheme, as of 1 July 2022.

As we have previously submitted to ESCOSA,⁴ in order to provide a clearer picture of the experience of off-grid energy customers, the reporting requirements covering consumer protection obligations for off-grid energy customers must be expanded. This is particularly important given the findings of the Ombudsman's Report and the introduction of 'user pays' and mandatory prepayment in RAES Aboriginal Communities.

In effect, the current performance reporting requirements for energy retailers, relied upon by ESCOSA to provide a picture of the effectiveness of the current consumer protection framework, are limited to the:

- number of complaints received by each off-grid retailer

³ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy's Aboriginal Community](#), July 2021

⁴ SACOSS, [Submission to ESCOSA on its Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), 30 September 2020

- number of disconnections for non-payment of a bill
- licensees' (self-reported) compliance with the licence requirements (which would include retailers' obligations relating to payment plans and prohibitions on disconnection).

The performance data around interruptions of supply relate more to the distributor's service standards, than consumer protections.

Whilst we acknowledge the significant difference in energy provision for off-grid customers in comparison to on-grid customers, we believe it is useful to point to the extensive consumer protection reporting obligations for on-grid energy retailers in South Australia. As detailed more fully later in this submission, under the *Australian Energy Regulator's (Retail Law) Performance Reporting Procedures and Guidelines*⁵ on-grid retailers operating under the *National Energy Customer Framework*⁶ (NECF) are required to report on 58 performance indicators covering consumer protections alone (including 16 dedicated hardship program indicators). This performance data underpins the AER's compliance and enforcement priorities and actions, and provides essential information for problem identification and policy development. Notably, the AER's compliance and enforcement priorities for 2021-2022 include a major focus on protecting vulnerable energy customers.⁷

In contrast, the performance data for off-grid energy licensees in South Australia has demonstrably failed to identify existing problems with the current framework. The Ombudsman's investigation alone points to clear failings both in the level of consumer protections for off-grid energy customers, and the application of those protections by the retailer (the DCCP). Whilst the DCCP has adopted a hardship policy for residential electricity, water and sewerage service customers,⁸ it is not legally enforceable for energy customers as it does not form part of the electricity retail licence. This is in contrast to the Water retail licence, which contains a condition requiring the licensee comply with the Water Hardship Policy.⁹ There are no dedicated hardship protections for off-grid energy customers within

⁵ Australian Energy Regulator, [AER \(Retail Law\) Performance Reporting Procedures and Guidelines](#), 1 January 2019

⁶ The National Energy Customer Framework (NECF) is a suite of legal instruments that regulate the sale and supply of electricity and gas to retail customers. The main NECF documents are the:

- the [National Energy Retail Law \(Retail Law\)](#)
- the [National Energy Retail Rules \(Retail Rules\)](#) and
- the [National Energy Retail Regulations](#) (Regulations)

⁷ AER, [Compliance and Enforcement Priorities for 2021-2022](#), June 2021 Including through 'effective identification of residential consumers in financial difficulty and offer of payment plans that have regard to the consumer's capacity to pay'

⁸ District Council of Coober Pedy, [Hardship Policy for Residential Electricity, Water and Sewerage Service Customers](#), May 2019

⁹ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy's Aboriginal Community](#), July 2021, p.72

the electricity retail licence itself. As detailed in previous submissions¹⁰ and outlined later in this submission, the current protections are limited to payment plan obligations for customers experiencing payment difficulty and obligations around disconnections. The Ombudsman found the DCCP failed to comply with the consumer protections contained in the licence document, and had therefore acted contrary to law.¹¹ In failing to comply with its Hardship Policy for energy customers, the Ombudsman found the DCCP had acted in a manner that was unreasonable, unjust and wrong (whereas for water customers it had acted illegally).

Importantly (when considering the usefulness of the performance data as an indicator of the effectiveness of the existing consumer protections), the Ombudsman's investigation into the management of debts for the sale and supply of electricity was not triggered by any anomalies or indicators in the Council's reporting. Rather, the investigation was initiated as the result of a complaint from the Aboriginal Legal Rights Movement (ALRM) in 2018 that an extensive list of members of Coober Pedy's Aboriginal community had accumulated excessive and unmanageable energy and water debts, without having been offered appropriate supports and protections from disconnection by the retailer. According to the Ombudsman's Report, ESCOSA contacted the DCCP and identified issues with compliance *after* having received enquiries from the Ombudsman's Office in 2018.¹² SACOSS considers this represents a failure of the existing monitoring and reporting requirements to alert ESCOSA of possible breaches, and consequently those requirements and the resultant performance data should not be used to support an argument that the current consumer protection framework is effective.

In addition, as we, and others (including MoneyMob Talkabout¹³) have pointed out previously, in circumstances where residents of RAES Aboriginal Communities are not currently paying for electricity, there will be no application of consumer protections relating to life-support, energy debt and disconnection for non-payment. Therefore, the limited performance reporting data in so far as it relates to the RAES Aboriginal communities, **cannot** be used to determine whether the consumer protections for off-grid energy customers are adequate, or not. The future introduction of mandatory prepayment also makes past performance reporting data redundant.

Therefore, in determining whether to increase consumer protections and associated performance monitoring requirements for off-grid energy customers, SACOSS is seeking

¹⁰ SACOSS, [Submission to ESCOSA on its Draft Inquiry Report into the regulatory arrangements for small-scale water, sewerage and energy services](#), 30 September 2020, p.22-25

¹¹ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy's Aboriginal Community](#), July 2021, p.7

¹² Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy's Aboriginal Community](#), July 2021, p.6

¹³ MoneyMob Talkabout, [Response to the Department for Energy and Mining's proposed amendments to customer payment under the Remote Area Energy Supply Scheme](#), September 2021, p.7

ESCOSA accord zero weight to the current off-grid energy retailer performance data, acknowledging the outcomes of the Ombudsman’s Investigation and the limited relevance of that data in an assessment of the adequacy of the current consumer protection framework for off-grid energy customers.

Scope of the Review

This Review covers three areas of the off-grid consumer protection framework:

- A comparison of consumer protections across off-grid gas and electricity
- A comparison of off-grid hardship consumer protections and the NECF
- Further consultation on changes to the Prepayment Meter System Code

We will aim to address each of these areas in turn, but it is useful to first briefly identify the customers who will be directly impacted by this review, and who SACOSS is deeply concerned are able to access adequate protections and support to maintain a secure connection to an energy supply, which is essential to life, particularly given the current and forecast climate extremes in remote South Australia.¹⁴

ESCOSA’s 2020-21 Off-grid energy Networks Performance Regulatory Performance Report¹⁵ identifies four licensed distributors / retailers in regional and remote South Australia:

- Cowell Electric Supply Pty Ltd, which provides energy via 1,527 connections to households in Anangu Pitjantjatjara Yankunytjatjara (the APY lands), Oak Valley on Maralinga Tjarutja, Yalata on Aboriginal Lands Trust ALT, Oodnadatta, Parachilna, Marla, Marree, Nundroo, Glendambo, Kingoonya, Mannahill, Blinman, and Cockburn.
- Dalfoam Pty Ltd which provides energy via 61 connections to households in Yunta.
- The District Council of Coober Pedy which provides energy via 1,539 connections to households in Coober Pedy.
- Jeril Enterprises Pty Ltd which provides energy via 443 connections to households in Andamooka.

Both the Ombudsman’s Report¹⁶ and the MoneyMob Talkabout submission¹⁷ to the Department for Energy and Mining on the mandatory imposition of prepayment in remote Aboriginal communities, detail the levels of social and economic disadvantage and debt currently experienced by many members of the communities impacted by this Review. The

¹⁴ Thomas Longden, Simon Quilty, Brad Riley, Lee V. White, Michael Klerck, Vanessa Napaltjari Davis and Norman Frank Jupurrurla, ‘[Energy insecurity during temperature extremes in remote Australia](https://doi.org/10.1038/s41560-021-00942-2)’ (2021) *Nature Energy* <https://doi.org/10.1038/s41560-021-00942-2> (Note this has been provided to the Committee by Brad Riley) and [Policy Brief](#), and [Blog](#)

¹⁵ ESCOSA, [Energy Off-grid Networks Performance Report 2020-2021](#), p.2

¹⁶ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy’s Aboriginal Community](#), July 2021, p.4, p.25

¹⁷ MoneyMob Talkabout, [Response to the Department for Energy and Mining’s proposed amendments to customer payment under the Remote Area Energy Supply Scheme](#), September 2021, p.6

importance of ensuring fair, equitable and secure access to an energy supply for residents serviced by these licensees cannot be overstated.

Consultation areas

Comparison of consumer protections across off-grid gas and electricity

ESCOSA has undertaken a comparison of current consumer protection obligations for off-grid electricity services and reticulated gas services. For electricity licensees, all consumer protections are currently contained in various licence documents, whereas reticulated LPG licensees must comply with an industry retail code which contains consumer protection and reporting requirements.

ESCOSA is proposing to develop and enforce an off-grid electricity retail code for all off-grid electricity licensees:

Proposal for consultation– Establishing an Off-grid Electricity Retail Code

Currently, the Commission’s consumer protections for off-grid electricity consumers are contained in individual licences for each service provider. We propose to develop an Off-grid Electricity Retail Code to bring all relevant consumer protections into a central location to improve clarity and consistency for retailers and consumers.

SACOSS strongly supports the development of an Off-grid Electricity Retail Code. We have repeatedly called for ESCOSA to improve protections for off-grid energy customers through the development of an industry code which will ensure consistency and clarity for off-grid energy retailers, their customers, community support organisations (including financial counsellors and health organisations) and the state government. As outlined in more detail later in this submission, we support ESCOSA developing a Code that expands on the current limited consumer protections to include the prepayment customer protections, additional hardship protections, as well as corresponding monitoring and reporting requirements. We consider such a proposal to be in the long-term interests of South Australian off-grid energy consumers, in alignment with ESCOSA’s primary statutory objective.¹⁸

A comparison of off-grid hardship consumer protections and the NECF

The Consultation Paper states ESCOSA’s current consumer protection framework (or series of licence conditions) provides comparable protections to those offered under the NECF. SACOSS considers the two frameworks are markedly different.

The National Energy Customer Framework

The National Energy Customer Framework (NECF) is a suite of legal instruments that regulate the sale and supply of electricity and gas to retail customers.¹⁹ In addition to these

¹⁸ Section 6 of the [Essential Services Commission Act 2002](#), ‘the Commission must have as its primary objective protection of the long term interests of South Australian consumers with respect to the price, quality and reliability of essential services’

¹⁹ The main NECF documents are the:

- the [National Energy Retail Law \(Retail Law\)](#)

Laws and Rules, there are related reporting and compliance and enforcement frameworks, as well as the AER's *Customer Hardship Policy Guideline*²⁰ (which amongst other things requires the inclusion of standard statements, the publication of the hardship policy and communication to customers).

The NECF creates a tiered framework that provides for different levels of support depending on whether the customer is:

- experiencing payment difficulties (attracts a lower level of support, including payment plans and protection from disconnections etc.),
- or experiencing payment difficulties *due to hardship* (as identified by the retailer, and attracts more tailored supports).²¹

Hardship supports are only provided to customers where the retailer identifies the customer is experiencing payment difficulties *due to hardship* in accordance with its hardship policy.

Section 43 of the Retail Law, requires retailers operating under the NECF to 'maintain and implement' a hardship policy. The purpose of the hardship policy is to (SACOSS' emphasis):

'identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.'

NECF retailers must identify hardship customers and provide more extensive supports (in accordance with the retailer's hardship policy), than they provide for customers not identified as hardship customers; those customers fall into the broader group of 'customers experiencing payment difficulties'.

Section 44 of the Retail Law outlines the series of minimum requirements which must be included in the retailer's hardship policy, these minimum requirements comprise the **minimum** protections for hardship customers, and include:

- (a) processes to identify residential customers experiencing payment difficulties due to hardship, including identification by the retailer and self-identification by a residential customer; and***
- (b) processes for the early response by the retailer in the case of residential customers identified as experiencing payment difficulties due to hardship; and***
- (c) flexible payment options (including a payment plan and Centrepay) for the payment of energy bills by hardship customers; and***
- (d) processes to identify appropriate government concession programs and***

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- the [National Energy Retail Rules \(Retail Rules\)](#) and
 - the [National Energy Retail Regulations](#) (Regulations)

²⁰ AER, [Customer Hardship Policy Guideline Version 1](#), March 2019.

²¹ SACOSS, [Effectiveness of supports for customers experiencing payment difficulties: strengthening protection for customers under the NECF](#), June 2018 pp 12-23. SACOSS' 2018 Report on the effectiveness of supports for customers experiencing payment difficulties under the NECF outlines the consumer protection framework for on-grid customers in South Australia.

appropriate financial counselling services and to notify hardship customers of those programs and services; and

(e) an outline of a range of programs that the retailer may use to assist hardship customers; and

(f) processes to review the appropriateness of a hardship customer's market retail contract in accordance with the purpose of the customer hardship policy; and

*(g) processes or programs to assist customers with strategies to improve their **energy efficiency**, where such processes or programs are required by a local instrument; and*

(h) any variations specified or of a kind specified by the AER; and

(i) any other matters required by the Rules.

Off-grid energy licensees do not have hardship obligations that align with the NECF; there is no energy hardship policy, no obligation to identify customers experiencing hardship and provide early support, and no list of hardship supports including energy efficiency advice.

The protections under the NECF for 'customers experiencing payment difficulty', but who are **not** identified as a 'hardship customers', are more akin to those contained in off-grid energy retail licences, including:

- the obligation on the retailer to offer a payment plan
- the obligation on the retailer to offer a payment plan established in accordance with the requirements of Rule 72 of the Retail Rules where the customer has 'self-identified' as experiencing payment difficulties (Rule 33(4))
- the obligation on the retailer to provide information to customers who have self-identified as experiencing payment difficulties about government funded energy rebate, concession or relief schemes (Rule 33(3))
- the application of the principles and actions contained in the AER's (voluntary) Sustainable Payment Plans Framework (where the retailer has signed up the framework)
- protection from being placed on a shortened collection cycle
- protection from debt recovery action, and
- protection from disconnection.

It is also worth noting the recent work of the AER on its Consumer Vulnerability Strategy,²² which identifies opportunities to review the NECF and incorporate an 'entitlement' based Payment Difficulty Framework more in line with the Essential Services Commission of Victoria's PDF.²³ SACOSS strongly supports²⁴ the AER's focus on protecting consumers

²² AER, Consumer Vulnerability Strategy, Draft for Consultation, December 2021

²³ ESC Vic, [Energy Retail Code of Practice](#), Part 6. Also note there is currently a [Review](#) of the implementation of the PDF in Victoria

²⁴ SACOSS, [Submission to the AER on its Draft Consumer Vulnerability Strategy](#), 28 February 2022

experiencing vulnerability and this move by the AER to look to ESC Vic's PDF, which SACOSS considers has better disconnection safeguards (where the onus is on the retailer to prove they have undertaken all the relevant steps prior to disconnection), and also contains a \$55 debt trigger prompting retailers to contact customers and offer available supports.

Performance Reporting under the NECF

Associated performance reporting requirements are an essential part of ensuring retailers comply with their consumer protection obligations. As referred to earlier, under the AER's Performance Reporting Procedures and Guidelines,²⁵ retailers operating under the NECF are required to report on 58 performance indicators covering consumer protections alone (including 16 dedicated hardship program indicators):

- 14 quarterly indicators covering customer service and complaints data (Schedule 3: Retail market activities report indicator S3.1-S3.14)
- 14 quarterly indicators providing information and data on handling customers experiencing payment difficulties (S3.15- S3.28), including:
 - Number of small customers repaying an energy bill debt (including residential customers who are not hardship customers)
 - Average amount of energy bill debt for small customers (including residential and small business customers)
 - Amount of residential customer energy bill debt (excluding hardship customers)
 - Number of residential customers that have energy bill debt, including age and amount of debt (residential customers excluding hardship customers)
 - Number of residential customers using Centrepay
 - Number of residential customers on a payment plan
 - Number of residential customers who have been referred to an external credit collection agency for the purposes of debt recovery
- 7 quarterly indicators relating to the experience of prepayment customers (S3.29 – 3.35), including:
 - The total number of prepayment customers
 - The total number of prepayment customers that receive an energy concession
 - The number of prepayment customers removed due to payment difficulties
 - The total number of prepayment meter self-disconnection events
 - The total number of prepayment customers self-disconnected
 - Average duration of self-disconnection events
- Four quarterly indicators relating to disconnection and reconnection (S3.36 – S3.39), including:

²⁵ Australian Energy Regulator, [AER \(Retail Law\) Performance Reporting Procedures and Guidelines](#), 1 January 2019

- The number of customers disconnected for non-payment
- The number of customers with debts at the time of disconnection and the amount of those debts (in a range)
- One quarterly indicator on the number of customers eligible for concessions.
- Two annual indicators covering security deposits(s3.41-S3.42), including:
 - The number of security deposits held by retailers for residential customers
 - The aggregate value of security deposits held by retailers
- A dedicated Schedule 4 containing 16 Hardship Program Indicators (S4.1-S4.116), including:
 - The number of customers in the retailer’s hardship program
 - Average debt on entry into the hardship program
 - Levels of debt of customers entering the hardship program
 - Average debt of hardship customers
 - Payment methods for hardship customers
 - Number of customers exiting the hardship program
 - Assistance provided to customers in the hardship program
 - Disconnection of previous hardship program customers

SACOSS considers all 7 performance indicators for prepayment meter customers should be reflected in ESCOSA’s Prepayment Meter System Code, and we would welcome further engagement on relevant performance indicators for consumer protection obligations under the proposed Off-grid Consumer Protection Code, once the relevant obligations are established. At a minimum we consider indicators on debt, hardship / payment plan customer numbers / disconnection / credit / Centrepay and concessions should be included within the Code. Given all the RAES customers will now have smart meters, access to data around debt should be easily accessible.

Off-grid consumer protection framework

In comparison to the NECF, jurisdictional off-grid consumer protections in South Australia are contained in licence conditions that could potentially vary between licensees, are not easily visible, known or understood by customers, with minimal self-reporting requirements²⁶ (noting the new verify, trust and accountability model), and limited compliance and enforcement options.²⁷ The licence conditions²⁸ do not require the development of a hardship policy or associated supports, and tend to align more generally with the ‘payment difficulty’ (not hardship) protections under the NECF. We have previously set out in detail the relevant consumer protection obligations contained in licence documents as part of our first submission on the Review of the Prepayment Meter System

²⁶ ESCOSA, [Compliance Systems and Reporting Energy Industry Guideline No. 4](#), July 2020

²⁷ ESCOSA, [Enforcement Policy](#), August 2021

²⁸ See for example [District Council of Coober Pedy’s Distribution and Retail Licence](#)

Code²⁹, and we refer ESCOSA to that submission. In summary, the current licences contain conditions relating to:

- Billing
- Payment (in person or by mail)
- Instalment plans (taking into account usage and capacity to pay)
- Protection from disconnection if on a payment plan and requirement to be offered a payment plan prior to disconnection
- Protection from disconnection if a life support customer (with more limited definition of 'life support equipment' than under the NECF)
- Protection from disconnection if there is an unresolved complaint directly related to the reason for disconnection

It is important to acknowledge SACOSS is not suggesting an Off-Grid Consumer Protection Code should mirror all the protections under the NECF, as well as the prescriptive reporting requirements³⁰ or the compliance and enforcement powers and penalties³¹ under the National Laws and Rules, but we do strongly believe there is scope for better alignment between the two regimes, particularly in relation to hardship supports and reporting requirements.

AEMC's Review of the Regulatory Framework for stand-alone power systems – Priority 2 Relevantly, in October 2019, the Australian Energy Market Commission (AEMC) published its *Final Report on the Review of the Regulatory Frameworks for Stand-Alone Power Systems- Priority 2*.³² SACOSS considers this Report is relevant to the Consultation at hand. In its Report, the AEMC describes stand-alone power systems (SAPS) in the following terms:

A stand-alone power system (SAPS) is an electricity supply arrangement that is not physically connected to the national grid. The Commission uses the term to encompass both microgrids, which supply electricity to multiple customers, and individual power systems (IPS), which relate only to single customers.

Currently, the national energy laws and rules only apply to the interconnected electricity grid on the east coast of Australia that forms the NEM. Where there are stand-alone systems not connected to this grid, generally in remote areas, these are subject to regulation by states and territories at the jurisdictional level.

The AEMC's Priority 2 Review focussed on the development of a national framework to support the supply of electricity from SAPS provided by parties *other than distribution*

²⁹ SACOSS, [Submission to ESCOSA on the Prepayment Meter System Code Review](#), 11 May 2021

³⁰ AER, [Retail Law Performance Reporting Procedures and Guidelines](#), January 2019

³¹ Australian Energy Regulator, [Compliance and Enforcement Policy](#) July 2021

³² AEMC, [Final Report: Review of the Regulatory Frameworks for Stand-Alone Power Systems – Priority 2](#), 31 October 2019

network service providers (i.e. other than SA Power Networks in South Australia). The AEMC notes that:

The experience of the RAES scheme in South Australia provides an example of remote and sparsely populated communities that may be serviced by third-party SAPS.³³

The AEMC consulted on a range of seven dimensions for regulation, including consumer protections, and recognised the need to coordinate and consider linked policy and legal issues arising from its previous work on embedded networks.³⁴ SACOSS considers the AEMC's Review provides some useful recommendations to inform ESCOSA's consultation on off-grid consumer protections.

As a starting point, the AEMC's Review acknowledged the significant differences in the scope and breadth of various SAPS (in terms of size, ownership structures, operating models), and considered a 'tiered framework' of three SAPS categories would allow for proportionate regulation, with the application of overarching principles to achieve consistent consumer outcomes. The AEMC's Category 2 encompasses microgrids that range from those supplying smaller towns to those connecting a handful of customers, and the AEMC envisages these SAPS would remain subject to jurisdictional regulation. SACOSS considers Category 2 is most relevant to this consultation.

Recommendation 5 in the AEMC's Report covers consumer protections, and envisages for Category 2 that 'comprehensive consumer protections largely consistent with the consumer protections in other supply models would be applied through jurisdictional licence conditions,' and should include:

- customers' rights to access energy services
- informed consent requirements to enter into a supply arrangement
- billing requirements including bill contents obligations
- payment minimum requirements including time to pay and payment methods
- pricing principles or price monitoring requirements
- payment plans and basic customer hardship obligations
- undercharging and overcharging provisions
- obligations relating to interruptions to supply
- debt recovery arrangements
- disconnection and reconnection obligations
- protections for vulnerable customers and obligations relating to life support customers
- internal complaints handling processes
- independent dispute resolution

³³ AEMC, [Final Report: Review of the Regulatory Frameworks for Stand-Alone Power Systems – Priority 2](#), 31 October 2019, p. 137

³⁴ AEMC, Updating the regulatory frameworks for embedded networks, Final report, 20 June 2019

- entry criteria for entities to be approved to supply energy
- reporting and compliance obligations
- concessions, rebates and emergency payment assistance, and
- SAPS specific information provisions.

If ESCOSA hasn't already done so, SACOSS suggests consultation between ESCOSA and the AEMC on the AEMC's SAPS Priority-2 work program may provide some useful opportunities for alignment between the proposed national direction and jurisdictional frameworks.

SACOSS' recommended list of matters for inclusion in the Proposed Code

Having regard to the AEMC's list of measures, SACOSS repeats our previous submission,³⁵ that the Proposed Code should:

- give effect to the central principle that customers are only ever disconnected from their energy supply as a measure of last resort³⁶
- proactively identify (through changes in payment patterns, energy bill debt) customers who may be having trouble paying their energy bill, early in the debt cycle
- offer appropriate payment plans that consider any arrears owing by the customer (in addition to the customer's capacity to pay and usage needs)
- offer and apply bill smoothing with more regular payments (including **Centrepay** deductions)
- offer and apply monthly or fortnightly billing
- allow customers to prepay at will, for credit against their account
- offer prepayment discounts to encourage customers to keep their accounts in credit
- advise the customer about concessions or rebates, linking to financial counsellors and state government agencies
- provide advice on energy efficiency / refer to an advisory service
- be prohibited from taking debt recovery action if the customer is complying with a payment plan, or the retailer has not offered support to pay the bill
- be prohibited from disconnecting for non-payment if the customer informs the retailer they are having trouble paying their bill, is complying with a payment plan, is part of the hardship program, or has applied for concessions.

We also strongly support the inclusion of **clear principles** within the proposed Code that align with those set out in section 45(3) and section 47 of the National Energy Retail Law:³⁷

- that the supply of energy is an essential service for residential customers;

³⁵ SACOSS, [Submission to ESCOSA on the Prepayment Meter System Code Review](#), 11 May 2021

³⁶See discussion in the Essential Services Commission Victoria, [Payment difficulty framework](#), Final Decision, 10 October 2017, p. viii

³⁷ [National Energy Retail Law 2011](#)

- that retailers should assist hardship customers by means of programs and strategies to avoid de-energisation (or disconnection) solely due to an inability to pay energy bills;
- that de-energisation (or disconnection) of premises of a hardship customer due to inability to pay energy bills should be a last resort option;
- that residential customers should have equitable access to hardship policies, and that those policies should be transparent and applied consistently.

As envisaged by ESCOSA, compliance with the Code would be required as a condition of the off-grid energy retail licence.

Consultation topic – hardship protections

Consultation topics – Hardship protections

- ▶ **Hardship Policy:** Although many of the protections are the same, the Commission’s consumer protection framework does not require off-grid energy retailers to develop and maintain a Hardship Policy that consolidates all the rights and obligations for consumers in one place.
- ▶ **Hardship programs and processes:** The Commission does not explicitly require licensees to have programs and processes in place, but, rather, requires them to meet minimum consumer protection requirements.
- ▶ **Identifying hardship:** The NECF requires retailers to be more proactive in identifying consumers who may be experiencing hardship. The Commission’s consumer protection framework relies more heavily on self-identification by consumers and identification prior to disconnection by retailers.
- ▶ **Payment options:** The NECF requires retailers to offer Centrepay as a payment option. The Commission’s consumer protections provide for various payment options (for instance, licensees are required to offer payment in advance, an interest free and fee free instalment plan, and the right to have a bill redirected) but do not include the requirement to offer Centrepay.
- ▶ **Payment plans:** There are similar obligations around providing payment plans, including the need to take a customers’ capacity to pay into account. However, off-grid retailers are not explicitly required to provide information to customers on the number and frequency of instalments, and the basis on which any instalments are calculated.
- ▶ **Late payment fees:** Unlike the NECF, the Commission’s consumer protection framework does not require retailers to waive late payment fees for customers on instalment plans, or who have elected to make payments using a flexible payment approach.

Hardship Policy

The Ombudsman’s Inquiry points to the current protections in licence documents proving to be inadequate to support customers facing significant issues. SACOSS considers those protections should be expanded, and we have set out our recommended list of protections, and principles above. We also consider retailers must be required by ESCOSA to have publicly available information on the customer’s rights to support, the supports available, and a direct contact to seek supports. These communication requirements should be set out in the Proposed Code. SACOSS is inclined to support additional protections all being contained within the Code, rather than in a separate hardship policy document.

The ESC Vic PDF Framework is set up without the need for a Hardship Policy, all the levels of protections are contained within the PDF, even though the 'hardship' policy was retained (almost as a legacy). It is worth noting the ESC Vic did not consider the term 'hardship' to be useful, this might also be something ESCOSA could consider.³⁸

In whatever way the increased requirements around supports are packaged, off-grid retailers must have the capacity, or be enabled, to provide these supports, which may include outsourcing that service to support organisations. In contrast to the smaller retailers under the RAES Scheme, Jacana Energy in the NT is government owned retailer with a *Hardship Policy – Stay connected program*,³⁹ and has a dedicated 1800 number for customer seeking help. MoneyMob has provided useful comparisons between Jacana's resources and the resources of RAES retailers in its submission to DEM, referred to previously.

Identifying hardship customers

The overarching goal of consumer protection frameworks is to ensure customers maintain a connection to their energy supply, and avoid the harmful impacts of debt and disconnection. To attain this goal, customers need to be identified and supported *early* in the debt cycle, as soon as payment difficulty occurs, in order to avoid spiralling debts and disconnection.

We consider a debt trigger is a useful tool for retailers to identify customers experiencing payment difficulties, and proactively contact those customers to provide supports (noting the \$55 debt trigger in Victoria). Debt, changes in usage and /or payment patterns should prompt the retailer to contact the customer and discuss the customer's circumstances and supports the retailer can offer. Smart meter data should be able to assist retailers in this regard.

SACOSS submits it is imperative retailers have processes in place for early identification and offers of support. SACOSS is happy to engage further on what these processes and measures might be.

Payment options

SACOSS supports the inclusion of Centrepay as an option for customers to pay their energy bills. We consider records should be required to be kept of all customers using Centrepay, and this should be closely monitored to ensure customers do not overpay.

Payment Plans

It is essential that payment plans are established having regard to a customer's capacity to pay. The Ombudsman's Report highlighted the incredible burden on customers where unaffordable payment plans were established. SACOSS refers ESCOSA to the *Sustainable*

³⁸ ESC Vic, [Payment Difficulty Framework, Final Decision](#), 10 October 2017

³⁹ Jacana Energy, [Hardship Policy - Stay connected](#)

*Payment Plans Framework: Good Practice Guide*⁴⁰ for an example of best practice in establishing payment plans.

Customers should have a clear understanding of their obligations, and should not be set up to fail to meet repayments, leading to the cancellation of payment plans and disconnection.

Late payment fees

Customers should absolutely have late payment fees waived in circumstances where they are struggling to pay their energy bill and are seeking support from their retailer. SACOSS supports the inclusion of this protection within the proposed Code.

Consultation topic – Disconnection protections

Consultation topics – Disconnection protections

Prevention of disconnection: Protections from disconnection are similar between the Commission's consumer protection framework and the NECF. However, there are four key differences:

Where a customer has applied for assistance: NERL retailers are prevented from disconnecting a customer's energy supply where the customer has formally applied for a rebate, concession or relief available under any government funded scheme and a decision on the application has not been made.

Protected period: Under the NECF, NERL retailers cannot disconnect a customer before 8am on a business day and on the days between 20 December and 31 December (both inclusive). The Commission prohibits disconnection on a Friday, after 3pm on a business day, the day before a public holiday, on weekends and on public holidays.

Where a complaint is unresolved: NERL retailers are prevented from disconnecting a customer where a complaint has been made in relation to the proposed reason for disconnection *to the retailer* or the ombudsman and the complaint remains unresolved. The Commission's requirements only prevent disconnection only where a complaint has been made to an external dispute resolution body and remains unresolved.

Life support equipment: The definition of life support equipment differs between the NECF and the Commission's framework in relation to the specified equipment and the manner in which equipment can be recognised as 'life support equipment'.

Prevention of disconnection where a customer has applied for assistance

SACOSS strongly supports customers being protected from disconnection in circumstances where they have applied for assistance. As outlined above, this is in line with the principle that disconnection for inability to pay should be a last resort option. All other supports must have been offered and applied prior to disconnection taking place. This includes financial supports from government in the form of concessions, rebates or grants.

Protected period

SACOSS supports the extension of the protected period to align with the National frameworks.

Where a complaint is unresolved

⁴⁰ AER, [Sustainable Payment Plans: a good practice framework for assessing customer's capacity to pay](#), Version 1, July 2016

SACOSS supports the extension of this protection to complaints made to the retailer about the proposed reason for disconnection, where the complaint is unresolved. As outlined above, this is in line with the principle that disconnection from energy should be an option of last resort.

Life Support equipment

SACOSS strongly supports the alignment of the definition of 'life support equipment' under ESCOSA's frameworks with the definition under the NECF. This definition should be consistently adopted across both the proposed Consumer Protection Code and the Prepayment Meter System Code. We refer ESCOSA to our previous submissions on this matter.⁴¹

Currently, the life support protections under the off-grid retail / distributor licence provide as follows:⁴²

44 Special needs

- 44.1 Where a customer provides the licensee with confirmation from a registered medical practitioner or a hospital that a person residing at the customer's supply address requires life support equipment, the licensee must:
- (a) register the supply address as a life support equipment address;
 - (b) not arrange for the disconnection of that supply address while the person continues to reside at that address and requires the use of life support equipment; and
 - (c) give the customer a faults and emergencies telephone contact number.
- 44.2 The licensee may require that a customer whose supply address has been registered under this clause inform the licensee if the person for whom the life support equipment is required vacates the supply address or no longer requires the life support equipment.
- 44.3 For the purposes of this clause, "life support equipment" means:
- (a) an oxygen concentrator; or
 - (b) an intermittent peritoneal dialysis machine; or
 - (c) a haemodialysis machine; or
 - (d) a ventilator for life support (polio only); or
 - (e) other equipment as notified by the Commission from time to time.

SACOSS considers the category 44(3)(e)(e) 'other equipment as notified by the Commission from time to time' should be replaced with 'other' that includes 'any equipment that a medical practitioner considers essential for their patient' in line with the Australian Energy Regulator's *Life Support Registration Guideline*, as listed below:⁴³

⁴¹ SACOSS, [Submission to the Department for Energy and Mining on its consultation on proposed amendments to customer payment under the Remote Area Energy Supply \(RAES\) Scheme](#), 16 September 2021, pp.30-33

⁴² DCCP [Retail / Distribution licence](#)

⁴³ AER's [Life Support Registration Guideline](#), p. 5

Importantly, the definition of life support equipment includes a category for 'other', being any equipment that a medical practitioner considers is essential for their patient. 'Other' life support equipment may include, but is not limited to, the following:

- external heart pumps
- respirators (iron lung)
- suction pumps (respiratory or gastric)
- feeding pumps (kangaroo pump, or total parenteral nutrition)
- insulin pumps
- airbed vibrator
- hot water
- nebulizer, humidifiers or vaporizers
- apnoea monitors
- medically required heating and air conditioning
- medically required refrigeration
- powered wheelchair.

The current licence condition requires the licensee to 'register' the supply address 'as a life support equipment address'. SACOSS submits the requirements surrounding the register for life support customers, including the responsibility for establishing and managing the register need to be clearly set out within the proposed Code. SACOSS considers a central register for all off-grid energy customers, maintained by an independent party (South Australian government / ESCOSA), should be considered.

SACOSS strongly submits that the register, as well as supporting processes and procedures, need to be established to protect life support customers of off-grid energy retailers / distributors (who fall within the expanded definition), *prior to* the introduction of mandatory prepayment. We once again repeat our call for the delay of the introduction of user pays / prepayment in remote communities until this Review is completed and adequate protections are in place. To do otherwise, particularly in light of the current COVID-19 environment, would be unconscionable, and present a risk to life.⁴⁴

We also submit the broader protections for all life support customers serviced by small-scale networks in regional and remote South Australia need to be better **communicated, monitored and enforced**. These requirements need to be included in the proposed Consumer Protection Code and the Prepayment Code (in the event the Prepayment Code provisions aren't contained within the broader Consumer Protection Code).

ESCOSA will also need to consider the licensed distributor's obligations to life support customers for planned / unplanned interruptions of the energy supply.

SACOSS strongly supports ESCOSA being adequately resourced to enable a strong compliance focus on protections for off-grid customers in vulnerable circumstances, including life support customers.⁴⁵

⁴⁴ 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*.

⁴⁵ Noting In November 2020, Alinta Energy paid penalties totalling \$200,000 for breaching requirements around the *registration* of life support customers. AER, [Alinta pays penalties for life support breaches](#), 26 November 2020

We provide further submissions in relation to life support protections in the section on the Prepayment Code, below.

Further consultation on changes to the Prepayment Meter System Code

As referred to earlier in this submission, the move by the previous South Australian Government to pass Regulations⁴⁶ making prepayment mandatory in RAES Aboriginal communities has a significant impact on this Review. The Regulations are intended to take effect from 1 July 2022, and we understand this Review is expected to be completed by the end of 2022. It is completely unacceptable for mandatory prepayment to be imposed on households in these communities prior to the establishment of suitable protections and the completion of this Review. We urge ESCOSA to do all it can in its communications with the South Australian government to delay the introduction of charging until the satisfactory completion of this Review (including the required training and education of licensees, customers and support workers on the new requirements), has been undertaken.

Imposition of the licence condition mandating prepayment for energy

As outlined below, SACOSS also has serious questions and concerns around ESCOSA's role in imposing the licence condition making prepayment mandatory, in light of its statutory obligations and the national regulatory requirements dealing with prepayment.

Firstly, it is useful to set out the Regulations as published in the Government Gazette on 9 December last year:

Electricity (General) (Payment Condition) Variation Regulations 2021

4—Insertion of regulation 17A

After regulation 17 insert:

17A—Prescribed condition—use of prepayment meter system

- (1) In accordance with section 21(2) of the Act, the Commission is required to impose on the relevant licence the condition that the holder of the licence only sell electricity to prescribed customers using a prepayment meter system.*
- (2) This regulation applies in relation to the relevant licence despite the fact that it was issued before the commencement of this regulation.*
- (3) Despite subregulation (1), the Minister may grant the holder of the relevant licence an exemption from complying with the condition applying under that subregulation in relation to the supply of electricity to a specified prescribed customer, or a prescribed customer of a specified class.*
- (4) An exemption under subregulation (3)—*
 - (a) may be granted subject to specified conditions; and*

⁴⁶ *Electricity (General) (Payment Condition) Variation Regulations 2021* gazetted on 9 December 2021 (No. 80 p. 4331)

(b) may be varied or revoked by the Minister.

(5) In this regulation—

excluded customer means a small customer who is required under a contract for the sale of electricity in a prescribed area in force immediately before the commencement of the Electricity (General) (Payment Condition) Variation Regulations 2021 to pay for electricity supplied under the contract;

prepayment meter system has the same meaning as in the National Energy Retail Law;

prescribed area means—

(a) Trust Land within the meaning of the Aboriginal Lands Trust Act 2013; or

(b) "the lands" within the meaning of the Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981; or

(c) "the lands" within the meaning of the Maralinga Tjarutja Land Rights Act 1984;

prescribed customer means a small customer supplied (or seeking the supply of) electricity in a prescribed area, other than an excluded customer;

relevant licence means the licence authorising the retailing of electricity under the Act to prescribed customers.

5—Insertion of regulation 21A

After regulation 21 insert:

21A—Variation of licences by Commission

In accordance with section 98(2)(e) of the Act, the Commission is, in varying the conditions of a licence for the purpose of complying with regulation 17A(1), exempt from the application of section 27(2) of the Act.

Mandatory prepayment is therefore to be implemented through a condition imposed by ESCOSA on the relevant licence (Cowell Electric), in accordance with section 21(2) of the Electricity Act 1996.⁴⁷ SACOSS refers ESCOSA to our submissions on this method of implementation made to the Department for Energy and Mining,⁴⁸ and is seeking ESCOSA consider the following:

Section 24B in Part 3 of the *Electricity Act* deals with licence conditions and the national energy laws, providing (SACOSS' emphasis):

⁴⁷ [Electricity Act 1996](#) (SA)

⁴⁸ SACOSS, [Submission to the Department for Energy and Mining on its consultation on proposed amendments to customer payment under the Remote Area Energy Supply \(RAES\) Scheme](#), 16 September 2021, pp 33-40

Despite the preceding provisions of this Part, the Commission is not to impose a condition on a licence if the Commission is satisfied that the condition would duplicate, or be inconsistent with, regulatory requirements under the National Electricity (South Australia) Act 1996, National Electricity Rules, National Energy Retail Law (South Australia) or National Energy Retail Rules.

Section 21(2), falls within Part 3 of the *Electricity Act*.

Similarly, section 6A of the *Electricity Act* provides for ESCOSA's functions and powers under that Act (which are in addition to the functions and powers under the *Essential Services Commission Act*⁴⁹), with Section 6A(4) providing that:

In performing functions under this Act, the Commission must (in addition to having regard to factors specified in this Act or the Essential Services Commission Act 2002) have regard to the provisions of the National Electricity Rules and National Energy Retail Rules and the need to avoid duplication of, or inconsistency with, regulatory requirements under those Rules.

Mandating prepayment is very clearly **inconsistent** with provisions relating to prepayment under the National Laws and Rules. We have set this out in more detail in our submission to the Department on the proposed Regulations.

We therefore consider that when imposing a condition on a licence under Part 3 of the *Electricity Act*, (whether in accordance with section 21(2) or otherwise), ESCOSA must be **satisfied** that the licence condition is **not inconsistent with** regulatory requirements relating to prepayment meter systems under the National Energy Retail Laws and Rules.

This interpretation would align with the ESCOSA's objectives under section 6 of the *Essential Services Commission Act*, that in performing its functions ESCOSA '**must have as its primary objective protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services**', and at the same time, must have regard to the need to '**promote consistency in regulation with other jurisdictions**' (section 6(b)(vii) of the Act).

Does ESCOSA consider that sections 6A(4) and 24B of the *Electricity Act* **requires it to be satisfied** that the condition to be imposed under section 21(2) **is not inconsistent with** the regulatory requirements under the National Laws and Rules relating to prepayment? If so, can ESCOSA demonstrate how it is satisfied the licence condition imposing prepayment is consistent with National requirements?

More generally, SACOSS is seeking ESCOSA provide an explanation of how, as an independent statutory authority, it is reconciling its obligations, including its primary statutory objective under its enabling Act, with the Regulations requiring mandatory prepayment licence conditions. The Regulations are subordinate legislation made by the

⁴⁹ Essential Services Commission Act 2002

executive government – not parliament, and have the effect of removing ESCOSA’s jurisdiction over matters that are firmly within its statutory functions and powers. If mandatory prepayment is to be imposed, then this should more properly be determined by Parliament through an amendment to the *Electricity Act* or the *Essential Services Commission Act*, rather than delegated legislation made by the unelected executive.

Review of the Prepayment Meter System Code

The South Australian government’s clear intention is to introduce prepayment across all RAES schemes, including the RAES State and Independent Operator schemes.⁵⁰ As mentioned earlier in this submission, many residents of those townships and communities are already experiencing significant economic and social disadvantage, in addition to climate extremes and associated health risks, which are expected to worsen.⁵¹ In these circumstances, SACOSS submits the importance of the consumer protections contained in the Prepayment Meter System Code to ensure those customers maintain a secure energy supply, cannot be overstated.

As noted in the Consultation Paper, an off-grid energy retailer can only introduce prepayment systems with ESCOSA’s written approval (clause 1.3.2 of the Code). ESCOSA has received three applications from retailers to introduce prepayment meter systems, and SACOSS understands the SA government has completed the roll out of smart meters with prepayment capability throughout the RAES Schemes, in accordance with its ‘future sustainability’ project.⁵² SACOSS questions how this requirement for approval interacts with the Regulations requiring ESCOSA to impose a mandatory prepayment condition on Cowell’s Licence?

SACOSS repeats our submission on the impact of repeated disconnection on prepayment customers contained in our previous submissions. As we have previously stated, the evidence is clear, prepayment will result in households experiencing increased disconnection from an energy supply.⁵³ The significant negative health, social and economic impacts of disconnection have been set out in previous submissions.

SACOSS strongly supports the submission to this consultation by ANU Researchers (yet to be published), containing recent data from the Northern Territory as well as Western Australia on the negative impacts of frequent disconnections associated with prepayment, as well as the heightened risks of ‘self-disconnection’ during temperature extremes. The evidence

⁵⁰ Department for Energy and Mining, [Remote Are Energy Supply Schemes](#)

⁵¹ Thomas Longden, Simon Quilty, Brad Riley, Lee V. White, Michael Klerck, Vanessa Napaltjari Davis and Norman Frank Jupurrurla, ‘[Energy insecurity during temperature extremes in remote Australia](#)’ (2021) *Nature Energy* <https://doi.org/10.1038/s41560-021-00942-2> (Note this has been provided to the Committee by Brad Riley) and [Policy Brief](#), and [Blog](#)

⁵² Department for Energy and Mining – [Future Sustainability of the RASE scheme](#)

⁵³ In the Northern Territory (NT) towns of Darwin, Alice Springs, Katherine, and Tennant Creek, 71% or 1467 (of 2074) households experienced at least one involuntary self-disconnection from electricity in the three months between April and June 2020. Springer Nature [Sustainability Community](#), 7 December 2021.

overwhelmingly points to the need for policy responses that reduce the frequency and duration of involuntary self-disconnections in remote communities, particularly within the context of a warming climate. We urge ESCOSA to carefully consider this ANU submission.

In light of the potential negative customer impacts of prepayment, SACOSS is seeking ESCOSA consider very carefully the potential winding back of any of the consumer protections contained in the Prepayment Meter System Code.

Mandatory Prepayment and the Prepayment Meter System Code

Clearly, the mandating of prepayment in RAES Aboriginal communities removes access to many of the protections contained in the Code. Most notably, affected households will no longer receive the protections of the following requirements under the Code: ⁵⁴

- **Clause 2.2 Consent** - A retailer must obtain the explicit informed consent of a small customer to enter into prepayment meter standard terms and conditions (clause 2.2.1 – 2.2.7).
- **Clause 2.3 Written Disclosure Statement** – certain requirements will no longer apply including details of any right conferred on the small customer to rescind the prepayment meter standard terms and conditions (Clause 2.3.1(j)) and details of the trial period at or before the expiry of which the small customer may terminate the contract (Clause 2.3.1 (k)).
- **Clause 2.5 Minimum Terms and Conditions** - requirements relating to the Mandatory three-month trial period (clause 2.5.1(a)), rights to termination and removal of the prepayment meter system (clause 2.5.1(b)), rights to information about standard terms and conditions options (clause 2.5.1(b)(iii)).
- **Clause 2.5.1(h) – 2.5.1(j) Life support equipment** - including the prohibition on the retailer entering into a prepayment arrangement with a customer who requires life support equipment and the requirement on the retailer to immediately revert the prepayment system to post-payment for customers who require life support equipment.
- **Clause 3.4 Payment Difficulties and Hardship** - including the requirement that where a small customer has self-disconnected three or more times in any three-month period for longer than 240 minutes on each occasion the retailer must contact the small customer to offer to make immediate arrangements for the removal of the prepayment system, and revert the customer to standard prepayment mode at no cost to the customer (clause 3.4.2).
- **Clause 4.1 Customer termination and request for removal** - where if requested by the customer the retailer must make immediate arrangements for the removal of

⁵⁴ ESCOSA, [Prepayment Meter System Code](#)

the prepayment system, and provide information about standard terms and conditions options (clause 4.1.1).

The removal of consent, life support and hardship protections for these customers is unacceptable on every level.

SACOSS understands the Department for Energy and Mining has proposed developing ‘fit-for-purpose’ consumer protections that will **not** be codified by ESCOSA, but rather will form part of the standard terms and conditions between the affected resident and the retailer (Cowell Electric). This raises questions around visibility, monitoring, compliance and enforcement of the proposed protections. We do not support this course of action.

SACOSS considers that if ‘fit-for-purpose’ consumer protections are to be established for *mandatory* prepayment customers, then those protections should properly be developed by ESCOSA in accordance with its consultation requirements, and should form part of an enforceable Industry Code with corresponding reporting obligations for the retailer, in line with ESCOSA’s *statutory functions* set out in section 5 of the *Essential Service Commission Act*.⁵⁵

Given this consultation commenced prior to the introduction of mandatory prepayment, SACOSS considers ESCOSA should undertake additional consultation in relation to appropriate protections for mandatory prepayment customers, for inclusion within the Prepayment Meter System Code.

We strongly believe the introduction of mandatory prepayment should be delayed from 1 July 2022 until meaningful consumer protections, monitoring, reporting and compliance obligations are in place. It is impossible for support organisations to properly prepare and educate households in RAES Aboriginal communities on the impacts of mandatory prepayment without knowing the rights of those customers to access supports. This is particularly relevant to hardship and life support obligations.

Our comments on the proposed changes to the Prepayment Meter System Code detailed below, are in response to this Consultation and do not address the issues of consumer protections for mandatory prepayment. We expect ESCOSA to provide additional consultation on mandatory prepayment consumer protections, if this doesn’t occur, we request the opportunity to provide further submissions.

⁵⁵ [Essential Services Commission Act 2002](#), section 5

Proposals and topics for consultation – Prepayment Metering System Code

Emergency credit facilities

PROPOSAL: We propose to keep the existing emergency credit requirements, taking into consideration that these amounts must be paid back upon account top-up.

FEEDBACK is invited on introducing a requirement for energy retailers to offer customers discretionary loans.

SACOSS' previous submission to ESCOSA on the Review of the Code referred to work done in the United Kingdom on making prepayment fairer through implementing practices to provide holistic supports for energy customers who self-disconnect from their prepayment meter. The Citizens Advice Organisation has published a Good Practice Guide covering Holistic Support for energy consumers who self-disconnect from their pre-payment meter.⁵⁶ One of the options for holistic support for consumers who have self-disconnected, are unable to top up their meter and need access to emergency energy credit, included discretionary top ups from their energy supplier. These discretionary top ups would be provided by the retailer in conjunction with other supports (including payment arrangements) to ensure the prepayment customer maintained their connection to an energy supply. Our reference to this practice, acknowledged the difference between the UK regime, and prepayment for remote customers in South Australia managed by small retailers with limited resources to provide supports.

It is widely accepted that for prepayment customers, the first outcome of payment difficulty is disconnection. None of the supports provided to post payment customers (payment plans, financial counselling, concessions, Centrepay) to ensure disconnection is a last resort option, apply for prepayment customers. Our understanding of discretionary credit in the UK is that, over and above emergency credit, customers are able to maintain a connection to an energy supply and to pay for that energy over a period of time into the future through arrangements with their retailer. Clearly, SACOSS would prefer customers are supported through post-pay arrangements, where disconnection is a last resort.

In terms of the emergency credit provisions under the Code, SACOSS acknowledges previous submissions on emergency credit⁵⁷ that have called for the repayment of emergency credit to be over a series of recharges rather than one transaction upon account top up. This is to avoid the situation where customers are required to chose between purchasing food on a Monday morning, or having an energy supply.

⁵⁶ Citizens Advice, [Good Practice Guide: holistic support for energy consumers who self-disconnect from their prepayment meter](#), December 2017

⁵⁷ For example, PIAC, [Submission to EWON on Prepayment for electricity](#), 5 September 2014

Support for customers experiencing payment difficulties

PROPOSAL: We propose to accept the Department of Energy and Mining's (DEM) suggestion to remove from the PMSC the trial period and the retailer's subsequent right to charge exit fees and reversion costs. Removing the trial period enables a customer in a prepayment arrangement to go back to a post-payment arrangement at any time and at no cost to them.

PROPOSAL: DEM's submission identified that the PMSC technically requires a new contract each time a customer moves from post-payment to pre-payment or vice versa. We propose to develop a new standard contract that covers both pre-paid and post-paid arrangements. This will be simpler for both the customer and the retailer.

At this stage, SACOSS has not examined the proposal for a combined post payment / prepayment contract in detail and suggest it may be useful to obtain legal advice on the interaction of a combined standard contract with customer's rights around explicit informed consent and other provisions of the Prepayment Meter System Code. For example, the Code contains a prohibition on life support customers entering into a prepayment 'standard terms and condition' with their retailer. We also do not support the inclusion of consumer protections for prepayment customers within the contract documents, we consider consumer protections should be codified, monitored and enforced by the Regulator.

We continue to support a written disclosure statement remaining a requirement under the Code (Clause 2.3), to be provided to all customers if they are considering prepayment.

Retailer public reporting requirements

PROPOSAL: Retailers are not currently required to report on any prepayment metrics. We propose to include a requirement for energy retailers to report on the following metrics, quarterly and in aggregate:

Number of times emergency credit was accessed. This data will support analysis of the relationship between emergency credit access and disconnections. Emergency credit access may be an early indicator of hardship.

Number and duration of self-disconnections. This is a key indicator of customers experiencing hardship and will provide valuable insight into customer behaviour and the effectiveness of consumer protections.

Number of times the minimum requirements for retailer follow up with customers following disconnection were met, and the reasons for any disconnection. This requires retailers to make immediate arrangements to offer: reversion to post-payment at no cost, information about and referral to State Government assistance programs, and information on independent financial counselling services. This data will support better understanding of the reasons for self-disconnection, and provide data on the number of times the payment difficulty threshold is reached.

SACOSS supports the Retailer Public Reporting Requirements listed above. As noted earlier, the AER has the following 7 quarterly indicators relating to the experience of prepayment customers (S3.29 – 3.35), including:

- The total number of prepayment customers
- The total number of prepayment customers that receive an energy concession
- The number of prepayment customers removed due to payment difficulties
- The total number of prepayment meter self-disconnection events

- The total number of prepayment customers self-disconnected
- Average duration of self-disconnection events

SACOSS supports the inclusion of all of the AER’s reporting requirements listed above, noting ESCOSA has already identified number and frequency and duration of self-disconnections. Information on prepayment customers receiving concessions will be an important indicator for government and policy makers, as we know from national performance data there is a very low take up of concessions amongst South Australian hardship customers (40%) compared with other states and territories (70% in Tasmania),⁵⁸ and we have also been told by Concessions SA that the uptake of energy concessions in the Aboriginal community is extremely low.

It would also be useful to know the number of prepayment customers, and the number of prepayment customers reverted back to post-pay, as an indicator of payment difficulty.

Prepayment System Customer Consultation Groups

PROPOSAL: Currently, the PMSC requires all retailers approved to offer prepayment arrangements to establish a customer consultation group. We propose to allow certain retailers who offer prepayment arrangements to specific categories of customers (for instance, retailers operating within the Remote Area Energy Supply scheme) to establish an umbrella consultation group.

► **Information provision: information provided prior to gaining explicit informed consent**

PROPOSAL: We propose the development of a standard explicit informed consent document, as suggested by DEM. The document will include information on the self-disconnection risks associated with prepayment metering.

We support an umbrella consultation group with representatives from local community and health organisations, as well as customer representation.

As a broad principle, SACOSS considers the option to use prepayment should only be voluntarily taken up by customers with full knowledge of the potential risks, and with explicit informed consent. Issues have been raised by MoneyMob and others around accessible and culturally appropriate information for households. We would expect an Explicit Informed Consent Document to be in multiple languages and accessible for people with disabilities and those with low levels of literacy.

Additional issues raised by stakeholders: Limitation on the recovery of debt

FEEDBACK is invited on DEM’s proposal to introduce a prepayment splitting process where part of the prepaid funds can be used to repay existing customer debt. This requires explicit informed consent by the customer. We are seeking feedback on this proposal, including how proposed limits on the amount to be allocated to existing debts could be set.

SACOSS opposes this proposal in the strongest terms. The Ombudsman’s Report points to extreme levels of unmanageable energy debt in the Coober Pedy community, largely due to

⁵⁸ AER, [Annual Retail Markets Report 2020-21](#), p76

the high cost of energy, extreme temperatures, inadequate housing and the ‘misapplication of the Hardship Policy over many years’.⁵⁹ In short, the accumulation of these debts is not the customers’ fault.

We strongly agree with the Ombudsman’s Recommendation 3 that:

*‘The Council review the records of each of its customers spanning between 2014 to present date, with a view to considering **whether part or all of each community member’s electricity and water arrears / debts may be written off**’⁶⁰*

At the moment, under the NECF and the Prepayment Code, there is an express limitation on the recovery of debt (except where the debt is due to the illegal use of energy etc.):

NERR

133 Limitation on recovery of debt

(1) Where a small customer owes a debt to a retailer, other than of a kind referred to in rule 137 or 138, the retailer must not recover any repayments of the debt under a prepayment meter market retail contract or under any other contract or agreement that adjusts the charges in the prepayment meter system to recover the amount of the debt.

Note: This subrule is a civil penalty provision for the purposes of the Law. (See the National Regulations, clause 6 and Schedule 1.)

PPMS Code

2.5.1 (f) Limitation on the recovery of debt

subject to this industry code, where a small customer owes a debt to a(f) retailer, other than of a kind referred to in clause 3.9 or clause 3.10, the retailer must not recover any repayments of the debt under the prepayment meter standard terms and conditions or under any other contract or agreement which adjusts the charges in the prepayment meter system to recover the amount of the debt.

Given the absence of reporting requirements on energy debt levels for customers in the RASE scheme, SACOSS has no visibility of the extent of the debt problem (aside from the Ombudsman’s investigation). We absolutely oppose retailers having the ability to recoup post-payment debt through the prepayment system, the burden this would place on households would be unacceptable. The importance of this prohibition on debt recovery for

⁵⁹ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy’s Aboriginal Community](#), July 2021, p.81

⁶⁰ Ombudsman SA, [Investigation into the management of financial debts for the sale and supply of electricity and water to members of Coober Pedy’s Aboriginal Community](#), July 2021, p.81

prepayment customers is evidenced by its classification as a civil penalty provision for the purposes of the Retail Law. Any changes to this existing requirement by ESCOSA would represent a clear departure from any alignment with the National frameworks.

The limitation on the recovery of debt provision under the Prepayment Code should be retained, and penalties should be applied for breach of this provision.

Additional issues raised by stakeholders: Life support system definition

FEEDBACK is invited from stakeholders on an informal submission from the South Australian Council of Social Service that the definition of life support equipment in the PMSC be updated to reflect the definition contained in the National Energy Retail Rules.

The Prepayment Meter System Code expressly prohibits a retailer from entering into a prepayment meter 'standard terms and conditions' with a life-support customer. ESCOSA may need to examine this prohibition in terms of the proposal to develop a combined customer contract covering both prepayment and post payment.

Existing protections life support customers are contained in clause 2.5.1(h) – (j) of ESCOSA's Prepayment Code which provide that:

Life Support Equipment

(h) a retailer must not enter into prepayment meter standard terms and conditions with a small customer who requires a life support system.

*If a small customer notifies the retailer that he or she now requires a life support system, **the retailer must make immediate arrangements for:***

*(i) the **removal or rendering non-operational of the prepayment meter system** at no cost to the small customer,*

(ii) the installation of a standard meter or the reversion of the prepayment meter system to a standard operating mode so that the prepayment meter system operates as a standard meter at no cost to the small customer; and

(iii) provide information about, and a general description of, the standard terms and conditions options available to the small customer.

For the purposes of this clause 2.5, "life support system" means:

(j)(i) An oxygen concentrator; or

(ii) An intermittent peritoneal dialysis machine; or

(iii) A haemodialysis machine; or

(iv) A ventilator for life support (polio only); or

(v) Other equipment as notified by the Commission from time to time.

SACOSS has contacted ESCOSA to determine whether ‘other equipment’ has been notified by the Commission, and we have been advised that, at this stage, it has not. SACOSS is strongly of the view that the life support customer protections for all off-grid energy customers should align with the on-grid customer protections under the *National Energy Customer Framework* (NECF).⁶¹ On this basis, SACOSS has submitted to ESCOSA that the category of ‘other’ equipment in the Prepayment Code should include ‘any equipment that a medical practitioner considers essential for their patient’ in line with the Australian Energy Regulator’s *Life Support Registration Guideline*, listed below:⁶²

Importantly, the definition of life support equipment includes a category for ‘other’, being any equipment that a medical practitioner considers is essential for their patient. ‘Other’ life support equipment may include, but is not limited to, the following:

- external heart pumps
- respirators (iron lung)
- suction pumps (respiratory or gastric)
- feeding pumps (kangaroo pump, or total parenteral nutrition)
- insulin pumps
- airbed vibrator
- hot water
- nebulizer, humidifiers or vaporizers
- apnoea monitors
- medically required heating and air conditioning
- medically required refrigeration
- powered wheelchair.

With the development of a Consumer Protection Code for all off-grid energy customers, SACOSS considers the protections for Prepayment Customers should be included within that Code, (in line with the NECF). There should be one expanded definition, and a set of provisions relating to life support customers that should apply to both retailers and distributors, with a prohibition on life support customers entering into prepayment arrangements within the prepayment section of the Code. There should be one central Register for off-grid energy Life Support customers, managed by an independent authority.

The risks of disconnection for prepayment customers are too great to permit life support customers to access prepayment arrangements.

Life Support Customers and mandatory prepayment

SACOSS refers ESCOSA to our submissions on life support protections to the Department for Energy and Mining in response to its proposal to mandate prepayment.

SACOSS has serious concerns about the adequacy of protections for life support customers under the proposed changes to energy payment arrangements in the affected areas. As noted earlier, due to the heightened risk of disconnection, ESCOSA’s Prepayment Meter

⁶¹ The National Energy Customer Framework (NECF) is a suite of legal instruments that regulate the sale and supply of electricity and gas to retail customers. The main NECF documents are the:

- the [National Energy Retail Law \(Retail Law\)](#)
- the [National Energy Retail Rules \(Retail Rules\)](#) and
- the [National Energy Retail Regulations](#) (Regulations)

⁶² AER’s [Life Support Registration Guideline](#), p. 5

System Code prohibits retailers from entering into a prepayment meter supply contract with a customer who requires a life support system.⁶³

Under the new Regulations, *all* customers in the affected areas will prepay for their energy supply as a default arrangement, and it will up to the Minister exercising their discretion to provide an exemption ‘to a specified prescribed customer, or ‘a prescribed customer of a specified class’, to allow for life support customer to be protected:

(3) *Despite subregulation (1), **the Minister may grant the holder of the relevant licence an exemption** from complying with the condition applying under that subregulation in relation to the supply of electricity to a specified prescribed customer, or a prescribed customer of a specified class.*

(4) *An exemption under subregulation (3)—*

(a) *may be granted subject to specified conditions; and*

(b) *may be varied or revoked by the Minister.*

The payment method for a life support customer should not be a matter for the discretion of the Minister, as is proposed. This proposal is in stark contrast with the mandatory obligations under the Retail Licence, the Prepayment Code and under the NECF for on-grid customers.

SACOSS suggests there are significant questions around how best to identify and protect life support customers of off-grid energy licensees:

- Will health professionals in the affected communities be advised of the requirement to notify the retailer if a patient has ‘life support equipment’?
- Will the ‘door to door’ questionnaire and education visits from MoneyMob adequately identify life support customers and cover the health requirements of households (the need for medical heating and cooling, the need for refrigerated medications like insulin)?
- Are there processes in place for life support customers to be identified in conjunction with local health professionals?

Given all the outstanding questions around the definition of ‘life support equipment’ the classification of a life support customer, the lack of a central Register for Life support customers, the protections afforded to life support customers under the Proposed Code, SACOSS is once again urging for a delay to the introduction of prepayment on 1 July 2022.

We understand MoneyMob is meeting with resident of the affected communities and asking questions about their health needs on the basis of a potentially defunct definition of ‘life support equipment’ definition that is currently being consulted on. This is unacceptable,

⁶³ Clause 2.5.1(h) of the ESCOSA’s [Prepayment Meter System Code 2013](#)

and will require additional work from MoneyMob, additional consultation with community members, altering of records etc. should the definition change.

There needs to be an established definition of life support customer, and a list of customers requiring life support protections, in line with the protections under the NECF, PRIOR to the introduction of prepayment. There is no justification for the hasty introduction of measures requiring residents to pay that may result in threats to life. This is particularly important given the impacts of COVID-19 in remote communities, including most recently Yalata, where it is expected prepayment will be introduced in three months' time.

The introduction of prepayment in RAES Aboriginal communities must be stopped until proper supports, information and education materials are in place:

- ESCOSA's consultation on consumer protections should be completed and support obligations established **prior to** the introduction of payment
- It is unacceptable that community support organisations are required to engage with community members, develop education materials and provide information on matters that **may change as a result of this Review**
- COVID-19 isolation requirements have delayed much of the engagement / education with community members on prepayment
- Remote communities are suffering through the significant impacts of COVID-19 and isolation as well as increases in costs associated with petrol increases, imposing prepayment on members of those communities in three months' time is unacceptable.

Conclusion

Thank you for the opportunity to provide feedback in relation to this Consultation. Please do not hesitate to contact Georgina Morris on 8305 4214, or Georgina@sacoss.org.au, if you have any questions in relation to this submission.