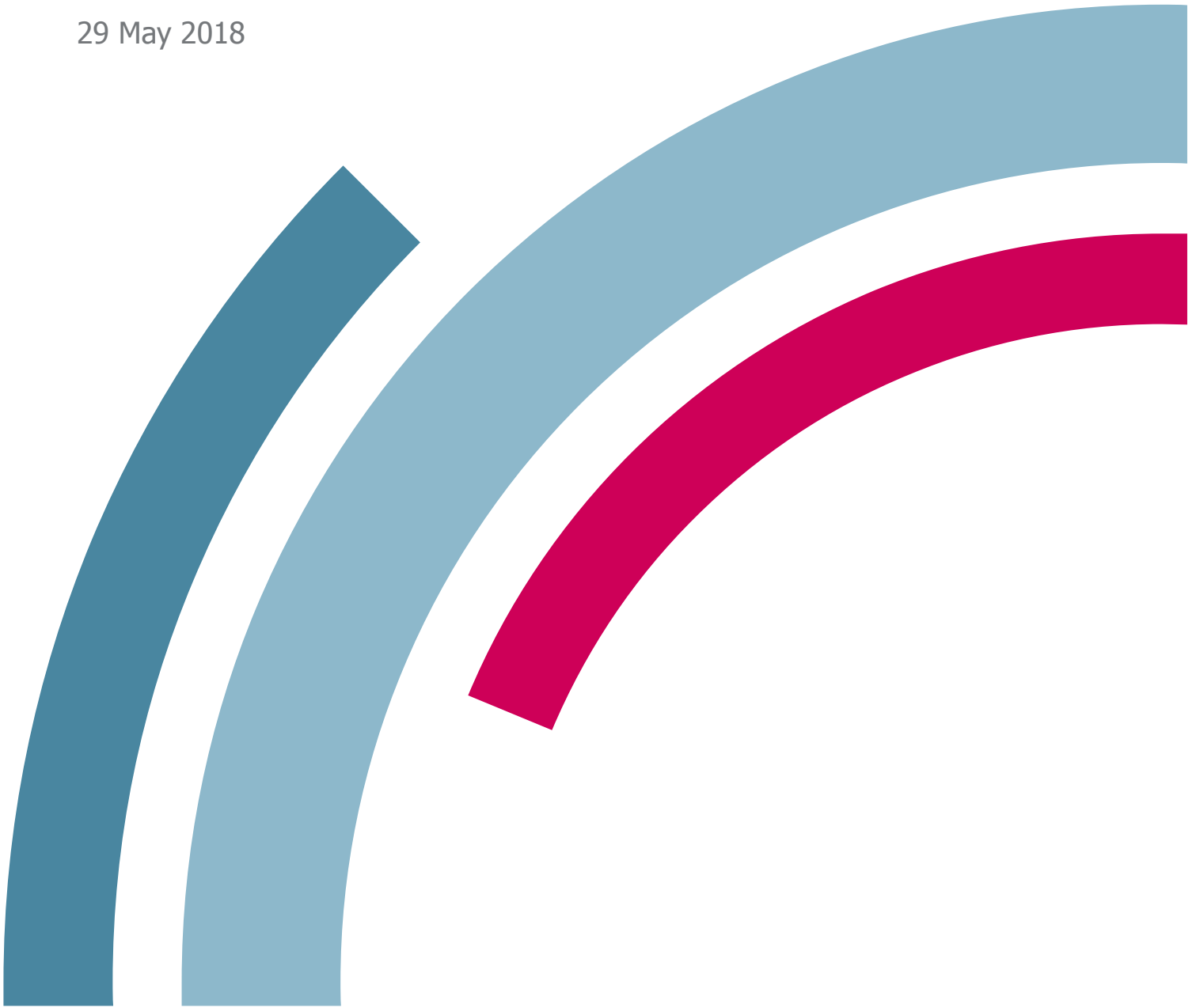


# Payment difficulty framework amendments to the Compliance & Performance Reporting Guideline

Draft decision

29 May 2018



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# 1. Introduction

## **Purpose**

The purpose of this document is to outline the commission's draft decision on changes to the Interim Compliance and Performance Reporting Guideline (version 3). These changes are to support the commencement of the payment difficulty framework on 1 January 2019.

We also propose some administrative changes to the reporting guideline that affect both energy retailers and distribution businesses.

Accompanying this draft decision is an amended reporting guideline and associated reporting templates.

## **Background to this draft decision**

On 10 October 2017, the commission released its final decision on the payment difficulty framework that made changes to the Energy Retail Code that take effect from 1 January 2019. These changes cater for a new framework that promotes protections for Victorian residential energy customers who are anticipating or facing payment difficulty.

The payment difficulty framework is designed to provide energy customers with an entitlement to minimum standards of assistance from their retailer to avoid getting into arrears, make it easier to pay for energy use, repay arrears and lower energy costs, and ensure that disconnection from energy supply is only ever a measure of last resort.

To enable the commission to monitor the effectiveness of the new framework, we must update the reporting requirements to ensure that they align with the payment difficulty framework provisions in the revised Energy Retail Code.<sup>1</sup>

Under the Electricity Industry Act 2000 and the Gas Industry Act 2001, the commission is required to report on the performance of retailers and their compliance with their obligations under the regulatory framework. The commission sets out its reporting obligations for energy retailers and distribution businesses in the reporting guideline. The reporting guideline contains two types of reporting obligations:

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<sup>1</sup> As foreshadowed in our final decision on the payment difficulty framework released on 10 October 2017, the payment difficulty framework results in changes to retailer obligations, and it is therefore necessary to update the reporting guideline to ensure that we collect data and report on matters relevant to retailer performance and compliance.

- **Performance indicators** - Retailers are required to report to us data on their performance in terms of market share, customer service and their support for customers facing payment difficulty. We use this data to monitor and report on the energy market. The Victorian Energy Market Report is one way we report on how the energy market is performing.
- **Compliance reporting** - Retailers and distributors must report to us when they have identified a situation where they have broken the energy rules. We set out the extent and type of information that must be reported to us.

On 30 June 2016, we published an interim version of the reporting guideline which included some new and updated performance indicators related to hardship programs. Now that we have reached a final decision on the payment difficulty framework, we must now review and finalise the changes made to the reporting guideline relating to payment difficulty and disconnections.

## Scope

This review is focused on amending the reporting guideline to support the commencement of the payment difficulty framework on 1 January 2019.

We propose to revise the performance indicators so that we can monitor the effectiveness of the payment difficulty framework. Similarly, we propose to update the obligations for compliance reporting so that they are in alignment with the new framework.

We also intend to make a number of miscellaneous administrative changes that affect the reporting requirements of energy retailers and distribution businesses.

## Process

1. Draft decision released on 29 May 2018
2. Stakeholder submissions due by 22 June 2018
3. Final decision to be released on 30 July 2018

We have now commenced the formal consultation period and welcome your submissions.

## Structure of this draft decision

Following this introduction, this draft decision is structured as follows:

- Section 2 outlines the changes to performance indicators
- Section 3 outlines the changes to compliance reporting obligations
- Section 4 provides a summary of the various administrative changes
- Section 5 sets out the next steps

### 1. Introduction

## 2. Proposed payment difficulty framework changes to performance indicators

Retailers are required to report to us on their performance in supporting customers anticipating or facing payment difficulty. We use this performance data to monitor and report on the Victorian energy market. Our review focuses on the performance indicators relating to the new payment difficulty framework that comes into effect on 1 January 2019.

### 2.1. Our approach

When making decisions, we are guided by our legislative objective to promote the long term interests of Victorian consumers with regard to the price, quality and reliability of essential services.<sup>2</sup> We must also have regard to certain matters to the extent they are relevant in any particular case, such as the benefits and costs of regulation. Our review also considered our ability to monitor the effectiveness of the new framework against its objectives, which are:

- to help customers to avoid getting into arrears with their retailer
- to make it easier for customers to pay for their on-going energy use, repay their arrears and lower their energy costs
- to ensure that customers are only disconnected for non-payment of a bill as a last resort.<sup>3</sup>

Our draft decision was informed by consultation with stakeholders through discussions and a workshop held on 30 April 2018. The workshop was attended by 23 representatives from energy retailers, government and consumer advocacy groups. We also engaged Ernst & Young to provide further advice to inform our review.

#### 2.1.1. Reporting under the new payment difficulty framework

The new framework introduces entitlements for customers anticipating or facing payment difficulty that come into effect on 1 January 2019. Prior to this, retailers reported on a framework that includes terminology that no longer applies under the new payment difficulty framework. The new framework moves away from terminology such as hardship programs and hardship customers and focuses on the types of assistance provided to energy customers, as illustrated in Figure 2.1. As a

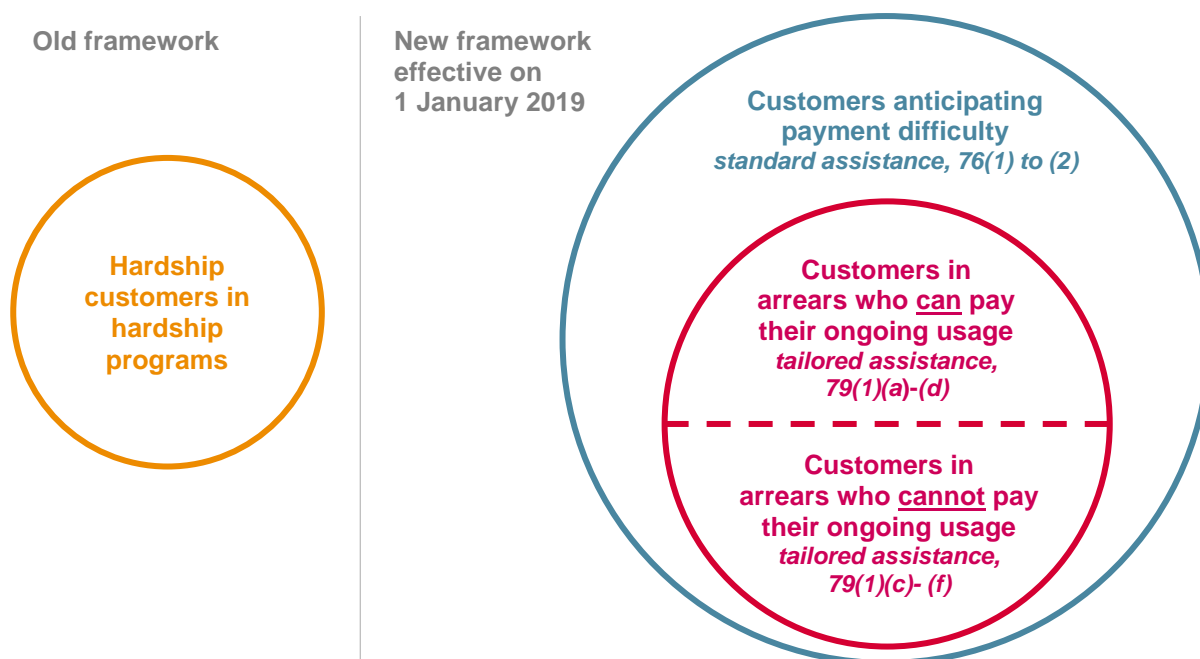
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<sup>2</sup> *Essential Services Commission Act 2001* (Vic), section 8.

<sup>3</sup> The objectives of assistance as set out on p. 67 of the final decision on the payment difficulty framework.

consequence, several performance indicators will need to reflect the terminology and entitlements under the new framework.

**Figure 2.1** Changes in terminology for reporting under the payment difficulty framework



Source: Essential Services Commission 2018

## 2.2. Changes to definitions for reporting

We propose to include new definitions in the reporting guideline to align with the new framework, as follows:

- New reporting definitions for **customers receiving assistance**, to align with the entitlements of customers receiving standard or tailored assistance, as per the revised Energy Retail Code.
- A new reporting definition related to **unreasonable customer action**, which may result in the suspension of assistance from a retailer, as described in the revised Energy Retail Code.
- Changing the terminology of debt to **arrears** to align with the terminology used in the Energy Retail Code.

The specific changes to reporting definitions have been provided in Appendix A.

## 2.3. Modifying existing performance indicators

A number of existing performance indicators relate to the experience of energy customers with arrears or disconnection in Victoria. These indicators provide valuable information on the level of assistance provided to customers facing or anticipating payment difficulty, such as:

### 2. Proposed payment difficulty framework changes to performance indicators



- the level of customer arrears in Victoria as a whole, and specific to a retailer
- the extent that customers are receiving assistance and eliminating their arrears over time
- the rate of customer disconnections in Victoria undertaken as a last resort and
- the notices provided to customers facing payment difficulty.

However, these existing indicators will need to reflect the new terminology and entitlements of customers under the new framework. For example, indicators related to customers leaving hardship programs successfully or otherwise, need to be reframed in context of customers no longer receiving assistance under the new framework.

We propose to modify a number of existing indicators to reflect the objectives of the new payment difficulty framework, as outlined in Table 2.1. The specific changes to these modified indicators are described in Appendix B.

We understand that retailers will need to change their IT systems to provide for the new entitlements that customers can access on 1 January 2019. We have proposed to modify existing indicators in a way that is likely to be consistent with the IT system changes that retailers might make, which may limit the costs to implement.

**Table 2.1 Proposed modifications to existing performance indicators**

Area of interest	Ref. number	Existing indicator name	Modified indicator name
<b>Customer arrears</b>	H050	Average debt of new entrants into the hardship program (\$)	Average arrears of residential customers commencing tailored assistance (\$)
	H070	Average debt of hardship program customers (\$)	Average arrears of residential customers receiving tailored assistance customers (\$)
	H060	Debt classifications of new entrants into a hardship program	Residential customers who commenced tailored assistance, with arrears
<b>Customers no longer receiving assistance</b>	H090	Hardship program exits with agreement from the retailer	Residential customers no longer receiving tailored assistance because of no arrears
	H110	Hardship program participants excluded for not complying with requirements	Residential customers no longer receiving tailored assistance due to unreasonable customer action
	H100	Hardship program exists due to switching, transferring or leaving the retailer	Customers no longer receiving tailored assistance due to switching, transferring or leaving the retailer
<b>Duration of customer assistance</b>	H080	Average length of participation for customers in a hardship program (days)	Average duration of customers receiving tailored assistance (days)

## 2. Proposed payment difficulty framework changes to performance indicators

Area of interest	Ref. number	Existing indicator name	Modified indicator name
<b>Disconnections</b>	D050	Disconnection for non-payment	Disconnection for unreasonable customer action (residential)
	D051	Other disconnections	Other disconnections ( <i>new indicator definition</i> )
	D090	Disconnections on more than one occasion	Disconnections on more than one occasion ( <i>new indicator definition</i> )
<b>Reconnections</b>	D060	Reconnections within 7 days	Reconnections within 7 days ( <i>new indicator definition</i> )
	D130	Reconnections of energy concessions	Reconnections of energy concessions ( <i>new indicator definition</i> )
<b>Notices to customers</b>	B180	Residential customers falling behind on payment	Notices delivered to residential customers related to payment difficulty.

## 2.4. Introducing new performance indicators

We propose to introduce new performance indicators that relate to data that has not yet been captured, such as:

- the level of arrears of customers receiving different forms of assistance
- the level of arrears of customers at the time of being disconnected
- the disconnections of customers who had not received any form of assistance and
- the practical assistance measures taken up by customers.

We recognise the costs of the industry in regulatory reporting. However, our proposed new indicators seek to address reporting gaps that are important in monitoring the effectiveness of new entitlements for Victorian energy customers. Some of these new indicators also address the intent of indicators we propose to remove (discussed in the following section). For example, we have proposed new indicators relating to the number of customers receiving different forms of assistance under the new framework. This replaces existing indicators on customer numbers in hardship programs and under instalment payment plans.

We have also proposed a new indicator that considers the sale of a customer's arrears after disconnection. We have introduced this indicator as we do not currently collect any information relating to the customer experience after being disconnected, and it may be useful in understanding the extent to which customers require assistance beyond the reach of the framework.

The specific changes to these modified indicators are described in Appendix B.

### 2. Proposed payment difficulty framework changes to performance indicators

## 2.5. Removing performance indicators

Following our proposed changes and additions to performance indicators, we propose removing a number of existing indicators. We reviewed these indicators and found that:

- the indicators were not aligned with the new framework
- the indicators provided limited insight into the operation of the new framework
- the indicators offered limited ability to assess the effectiveness of the new framework and
- we are able to collect the same information using other (or a combination of other) indicators.

It should also be noted that the intent of some existing indicators we propose to remove have been replaced with new performance indicators (as described in Section 2.4). A summary of the indicators replaced by new indicators is shown in Table 2.2.

**Table 2.2 Proposed replacement of existing performance indicators**

Area of interest	Ref, number	Existing indicator name (to be removed)	New indicator name (to be introduced as per section 2.4)
<b>Customers receiving assistance</b>	H010 D020	Hardship program participants Instalment payment plans	Residential customers receiving standard assistance
			Residential customers receiving tailored assistance
	H020	New entrants into retailer's hardship program	Residential customers who accessed both standard and tailored assistance
	D021 D022	Instalment plans not covering use Instalment plans covering use	Residential customers receiving assistance, with aged arrears
			Residential customers not receiving assistance, with aged arrears
<b>Disconnections</b>	D080	Disconnections previously on an instalment payment plan	Residential customers with arrears at disconnection
	H120	Disconnections of all previous hardship program customers within 12 months	Disconnections of residential customers who did not receive assistance
<b>Customers taking up practical assistance</b>	H140	Energy field audits provided at no cost	Residential customers who implemented practical assistance measures
	H150	Energy field audits provided at partial cost	
	H160	Average cost contributed to an energy field audit where a customer contribution was required	
	H170	Appliances provided under hardship program	

The specific changes to indicators we propose to remove are described in Appendix B.

### 2. Proposed payment difficulty framework changes to performance indicators

## 2.6. Administrative changes

We also propose a number of administrative changes related to revised performance indicators:

- **A revision to reporting templates** - Performance indicator reporting templates will be revised to reflect the changes to the performance indicators.
- **Specifying the commencement date** - The revised performance indicator requirements are proposed to take effect from 1 January 2019.

## 3. Proposed payment difficulty framework changes to compliance reporting

Retailers must report to us when they have identified a situation where they have broken the energy rules. This is referred to as compliance reporting as part of our reporting guideline.

Our review focuses on the obligations relating to the new payment difficulty framework that comes into effect on 1 January 2019.

### 3.1. Our approach

In considering the revisions made to the Energy Retail Code to support the payment difficulty framework, our review of the compliance reporting obligations focussed on those that required modifying, those which should be added, and those which are no longer applicable. We engaged Allens to assist us in conducting this review.

The specific changes to compliance obligations for retailers have been provided in Appendix C, with further explanation for the proposed changes.

### 3.2. Modifying existing compliance reporting obligations

We propose to amend the compliance reporting obligations to align with the revised Energy Retail Code. These changes involve substituting clause numbers in the obligation source column and descriptions within Section 2.1 of the reporting guideline. The existing obligation classification types have been retained.

We propose to modify three existing compliance reporting obligations.

### 3.3. Introducing new compliance reporting obligations

New compliance reporting obligations have been introduced to ensure that all relevant payment difficulty framework provisions of the revised Energy Retail Code are reported to the commission when non-compliance has occurred.

The obligation classification types have been aligned with the framework described in Section 2.1 of the reporting guideline.

We propose to introduce 11 new compliance reporting obligations to reflect the new framework.

### **3.4. Removing compliance reporting obligations**

A number of compliance reporting obligations have been removed as they have been replaced by an equivalent obligation or are no longer applicable under the revised Energy Retail Code to support the payment difficulty framework.

We propose to remove four existing compliance reporting obligations.

### **3.5. Administrative changes**

We also propose a number of administrative changes related to revised compliance reporting obligations:

- **A revision to the reporting template** - The retailer compliance reporting template will be revised to reflect the changes to the compliance obligations.
- **Specifying the commencement date** - The revised compliance reporting obligations are proposed to take effect from 1 January 2019.

## 4. Proposed administrative changes

In addition to amendments to align the reporting guideline with the payment difficulty framework, we propose to make a number of other miscellaneous administrative changes that are applicable to both energy retailer and distribution businesses.

### Performance indicators

#### 4.1. Performance indicator reporting schedule

The existing reporting guideline requires retailers to submit specific performance indicator data either on a quarterly, biannual or semi-annual basis. For consistency, and given the new framework has been finalised, we propose that retailers submit all performance indicator data to the commission on a quarterly basis.

We also propose to change the reporting timeframes for the second quarter of yearly data to 31 January or earlier, which is consistent with the reporting timeframes in other quarters during the year. We propose to simplify and clarify the reporting guideline by removing the columns related to frequency and how the data will be interpreted. It should be noted that an overwhelming majority of existing indicators were required to be reported in monthly intervals.

It should be noted that there have been no changes to the frequency of compliance reporting or wrongful disconnection reporting.

### Compliance reporting

#### 4.2. Inclusion of a fixed benefit period compliance reporting obligation

On 1 February 2018, we introduced new requirements on retailers to notify their customers about changes to the benefits they receive as part of their energy contract. Under the new rules, retailers are required to notify customers in advance of any changes to the benefits they receive, and also provide them with information about the Victorian Government's energy price comparator tool, Victorian Energy Compare. The compliance reporting obligations have been amended to include one new compliance reporting obligation to support this change.

#### 4.3. Amendment to the criteria for Type 2 regulatory obligations

Regulatory obligations are classified as Type 1, Type 2 or Type 3 obligations. The criteria for determining the classification type for obligations is set out in the reporting guideline.

We propose to amend the Type 2 classification to remove ‘obligations that are new’ from the criteria. This change will prevent new obligations from being deemed Type 2 on the basis of when they are introduced, rather than the level of impact.

#### **4.4. Change to sign off requirement for annual compliance reports**

We propose to change the report signoff for Type 1 quarterly and Type 1, Type 2 and Type 3 annual reports from requiring both the Chief Executive Officer or equivalent, and Chair of the Board to sign the report, to requiring only the Chief Executive Officer CEO or Managing Director.

This change to report sign off has been proposed to align with the Australian Energy Regulator. We also acknowledge that many licensees experience difficulty in achieving sign off by the Chair of the Board.

#### **4.5. Extension of distributor reporting schedule**

The distributor reporting schedule has been changed slightly to allow an additional week for distributors to compile and submit reports of planned outage notification breaches.

The additional time allowed for distributors has been made at the request of distributors. This allows them more time to put together the evidence of remediation we require.

#### **4.6. Clarification of reporting obligations**

Clause 1.5 and 1.6 of the reporting guideline that sets the retailer and distributor reporting obligations have been reformatted to improve clarity.

There was some confusion in industry about exactly what had to be reported and by when. The format changes should clarify existing reporting requirements.

#### **4.7. Additional changes to retailer reporting templates**

The compliance breach reporting template for Type 1, Type 2 and Type 3 obligations, previously located at Appendix A of the reporting guideline, has been expanded to include new fields and also updated to include new obligations to support the implementation of the payment difficulty framework.

The new fields are necessary to gather information that we need to assess reported breaches in accordance with our Energy Compliance and Enforcement Policy.

The template has been aligned with the reporting template used by the Australian Energy Regulator to assist licensees who report in multiple jurisdictions.

#### 4. Proposed administrative changes



The template will be available on our website and may be amended from time to time to correct errors or make clarifications.

### **Other reporting templates**

The following templates have not changed and should continue to be used:

- Interim compliance and reporting guideline – compliance breach reporting template 2017-18 – distribution businesses
- Interim compliance and reporting guideline – wrongful disconnections monthly reporting template 2017-18

These templates will continue to be available on our website and may be amended from time to time.

## 5. Next steps

### 5.1. Consultation period

We now seek feedback from interested stakeholders on the proposed changes to the reporting guideline to support the commencement of the payment difficulty framework on 1 January 2019, as well as some administrative changes.

Submissions in electronic format are preferred, and must be submitted to the commission by 5.00pm on 22 June 2018. Early submissions are welcome.

It is the commission's standard practice to make all submission publicly available on its website. Please clearly mark any confidential or commercially sensitive information that you do not wish to be disclosed publicly.

### How to make a submission

**By email:** [paymentdifficulties@esc.vic.gov.au](mailto:paymentdifficulties@esc.vic.gov.au)

**By post:** Essential Services Commission

Level 37, 2 Lonsdale Street

Melbourne VIC 3000

### 5.2. Final decision and commencement

Once we have reviewed the feedback provided by stakeholders in their submissions, we intend to release the final decision and the revised reporting guideline in late July 2018.

The requirements of the revised reporting guideline would apply to reporting from 1 January 2019. This aligns with the commencement of the payment difficulty framework.

# Appendix A – Definitions for performance indicators

## Proposed changes to existing definitions

Currently states	Proposed amendment	Justification for change(s)
<b>Debt:</b> Amount outstanding where this relates to money for a bill past its pay-by-date.	<b>Arrears:</b> Amount outstanding where this relates to money for a bill past its pay-by-date, which is greater than \$55 inclusive of GST.	The terminology of debt has been replaced with arrears to align with the payment difficulty framework. The definition also specifies that arrears include any outstanding amount greater than \$55 inclusive of GST.

## Proposed new definitions

Proposed addition	Proposed definition	Justification for addition
Residential customer	A residential customer who purchases energy principally for personal, household or domestic use.	Inclusion of a defined term as specified in the Energy Retail Code, for clarity.
Standard assistance customer	A residential customer receiving standard assistance as a minimum (as per clauses 76(2) (a-d) and clause 90 of the Energy Retail Code that applies on 1 January 2019), who is not in arrears of more than \$55 including GST at the end of the reporting period.	Standard assistance is a form of support established by the payment difficulty framework.
Tailored assistance customer	A residential customer receiving tailored assistance as a minimum, who is in arrears of more than \$55 including GST at the end of the reporting period, provided in a subset of: <ul style="list-style-type: none"> <li>customers who can pay their on-going usage, as per clause 79(1)(a-d)(g) and clause 90 of the Energy Retail Code that applies on 1 January 2019</li> <li>customer who cannot pay their on-going usage, as per clause 79(1)(c-g) and clause 90 of the Energy Retail Code that applies on 1 January 2019</li> </ul>	Tailored assistance is a form of support established by the payment difficulty framework.

Proposed addition	Proposed definition	Justification for addition
Unreasonable customer action	Having complied with clause 89(a) and clause 111A(a)(v) of the Energy Retail Code that applies on 1 January 2019, a retailer determines that a customer has not taken reasonable action to repay their arrears or pay for their ongoing energy use as per clause 83(a)(b).	For clarity, this new reporting definition aligns with the new payment difficulty framework, which sets out the conditions where standard or tailored assistance to a customer may be suspended.

## Appendix B – Proposed changes to performance indicators

### Proposed modifications to existing performance indicators

In assessing the changes to existing performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and whether the original intent remained relevant. We also tested early versions of the proposed performance indicators at a stakeholder workshop on 30 April 2018.

Reference	Currently states	Proposed amendment	Justification for change(s)
H050	<p><b>Indicator:</b> Average debt of new entrants into the hardship program (\$)</p> <p><b>Definition:</b> The average debt of those customers entering a retailer's hardship program during each month within the reporting period.</p>	<p><b>Indicator:</b> Average arrears of residential customers commencing tailored assistance (\$)</p> <p><b>Definition:</b> Reported separately for electricity and gas, the average arrears of customers entering into tailored assistance each month within the reporting period. Provide data separately for:</p> <p>(a) Customers who are able to repay their arrears and pay for their ongoing usage costs</p> <p>(b) Customers who cannot afford to pay for their ongoing energy usage costs</p>	<p>Amended to reflect the new types of assistance and support outlined in the payment difficulty framework. This amended indicator is useful because it provides information on the extent of arrears a customer has built up prior to receiving assistance from their retailer. This indicator may also provide insight into the timeliness of retailers in providing assistance to customers that are in arrears.</p>
H070	<p><b>Indicator:</b> Average debt of hardship program customers (\$)</p> <p><b>Definition:</b> The average debt of all current hardship program customers as at the last day of each month within the reporting period.</p>	<p><b>Indicator:</b> Average arrears of residential customers receiving tailored assistance (\$)</p> <p><b>Definition:</b> Reported separately for electricity and gas, the average arrears of all customers receiving tailored assistance as at the last day of each month within the reporting period. Provide data separately for:</p>	<p>Amended to reflect the new types of tailored assistance and support outlined in the payment difficulty framework. This amended indicator is useful because it provides information on the level of customer arrears. The indicator may also provide insight into whether the assistance from a retailer is making it easier for customers to pay for their ongoing usage, repay arrears and lower their energy costs.</p>

Reference	Currently states	Proposed amendment	Justification for change(s)
		<p>(a) Customers who are able to repay their arrears and pay for their ongoing usage costs</p> <p>(b) Customers who cannot afford to pay for their ongoing energy usage costs</p> <p>This indicator is distinct from the average arrears of customers commencing tailored assistance.</p>	
H080	<p><b>Indicator:</b> Average length of participation for customers in a hardship program (days)</p> <p><b>Definition:</b> Average number of days since current participants entered a retailer's hardship program (calculated as at the last calendar day of each month in the reporting period).</p>	<p><b>Indicator:</b> Average duration of residential customers receiving tailored assistance (days)</p> <p><b>Definition:</b> Reported separately for electricity and gas, the average number of days since customers commenced receiving tailored assistance (calculated as at the last calendar day of each month in the reporting period). Provide data separately for:</p> <p>(a) Customers who are able to repay their arrears and pay for their ongoing usage costs</p> <p>(b) Customers who cannot afford to pay for their ongoing energy usage costs.</p>	Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator provides information about the average length of time customers are receiving different types of tailored assistance. This may indicate the time it takes for customers to either repay their arrears or receive greater assistance when they cannot afford to pay for their ongoing energy costs.
H090	<p><b>Indicator:</b> Hardship program exits with agreement from the retailer</p> <p><b>Definition:</b> For each month within the reporting period, the number of customers exiting a hardship program following successful completion of the program or by agreement with the retailer.</p>	<p><b>Indicator:</b> Residential customers no longer receiving tailored assistance because of no arrears</p> <p><b>Definition:</b> Reported separately for electricity and gas, for each month within the reporting period, the number of customers who are no longer receiving tailored assistance as they are no longer facing payment difficulties. Provide data separately for:</p> <p>(a) Customers who are able to repay their arrears and pay for</p>	Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator is useful because it provides information about the number of customers that have repaid their arrears. This indicator will assist us in understanding if the tailored assistance offered by a retailer is effective at helping customers to pay for their ongoing usage, repay arrears and lower their energy costs.

Reference	Currently states	Proposed amendment	Justification for change(s)
		<p>their ongoing usage costs</p> <p>(b) Customers who cannot afford to pay for their ongoing energy usage costs.</p>	
H110	<p><b>Indicator:</b> Hardship program participants excluded for not complying with requirements</p> <p><b>Definition:</b> For each month within the reporting period, the number of customers excluded or removed from a retailer's hardship program for non-compliance with program requirements (for example, customer did not make the required payments or failed to maintain contact the retailer). Note: This should also include those participants who leave the program because they feel they are unable to meet program requirements or make the payments required by the retailer.</p>	<p><b>Indicator:</b> Residential customers no longer receiving tailored assistance due to unreasonable customer action</p> <p><b>Definition:</b> Reported separately for electricity and gas, for each month within the reporting period, the number of residential customers who are no longer receiving tailored assistance because of unreasonable customer action as per clause 83(a)(b)</p> <p>Note: This does not include customers that have been disconnected for unreasonable customer action.</p>	<p>Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator is useful because it identifies the number of customers that have not complied with the requirements of the framework. This indicator can also indicate the extent that retailers have attempted to provide assistance, prior to the disconnections of customers as a last resort.</p>
D050	<p><b>Indicator:</b> Disconnection for non-payment</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p>	<p><i>Propose to split indicator D050 into two as follows:</i></p> <p><b>Indicator:</b> Disconnection for non-payment (small business)</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of small business customers whose supply was disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as</p>	<p>This definition of this indicator related to disconnections for non-payment of small business customers remains unchanged. However, the corresponding indicator for residential customers has been amended, as below.</p>

Reference	Currently states	Proposed amendment	Justification for change(s)
	<p>(a) Residential customers</p> <p>(b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Note: Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p>	<p>two disconnections.</p> <p>Note: Small business customers are those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p> <p><b>Indicator:</b> Disconnection for unreasonable customer action (residential customers)</p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of residential customers whose supply was disconnected for unreasonable customer action during each month in the reporting period.</p> <p>Note: These disconnections are as per clause 111A regarding the residential customers to only be disconnected as a last resort for non-payment. If a customer was disconnected twice in the same month, this is counted as two disconnections.</p>	<p>Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator is useful because it provides information on the number of customers that have been disconnected on the basis of customers not complying with the requirements of the framework. This can indicate the extent the framework is ensuring that disconnection of customers is a last resort.</p>
D051	<p><b>Indicator:</b> Other disconnections</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of disconnections in the reporting period that were not included in 'Disconnections</p>	<p><i>Propose to split indicator D051 into two as follows:</i></p> <p><b>Indicator:</b> Other disconnections (small business)</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of disconnections</p>	<p>This definition of this indicator related to other disconnections of small business customers remains unchanged. However, the corresponding indicator for residential customers has been amended, as below.</p>



Reference	Currently states	Proposed amendment	Justification for change(s)
	<p>for non-payment ‘</p> <p>(a) Residential customers</p> <p>(b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p>	<p>in the reporting period that were not included in ‘Disconnections for non-payment (small-business)’.</p> <p>Note: Small business customers are those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p> <p><b>Indicator:</b> Other disconnections (residential customers)</p> <p><b>Definition:</b> Reported separately for electricity and gas for residential customers, the numbers of disconnections in the reporting period that were not due to unreasonable customer action. This includes customers that are disconnected voluntarily.</p> <p>Note: For clarity, this indicator does not include disconnections due to unreasonable customer action or those anticipating or facing payment difficulty (as per indicators D050A and D050B). Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period.</p>	<p>This indicator has been slightly amended to reflect changes in other disconnection indicators (D050) and the new terminology under the new framework. Specifically, this indicator intends to capture disconnections that are not related to the payment difficulty framework, and is a background indicator of disconnections occurring in Victoria (for example, the extent of voluntary disconnections occurring in Victoria).</p>
D060	<b>Indicator:</b> Reconnections within 7 days	<i>Propose to split indicator D060 into two as follows:</i>	

Reference	Currently states	Proposed amendment	Justification for change(s)
	<p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period. Note: If a customer was disconnected twice in the same month, this is counted as two disconnections.</p> <p>(a) Residential customers</p> <p>(b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.</p> <p>Note: Only completed reconnections should be recorded. That is, where a reconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. The 7 days are inclusive, with the day of disconnection being counted as the first day, and include weekends.</p>	<p><b>Indicator:</b> Reconnections within 7 days (small business)</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for non-payment during each month in the reporting period.</p> <p>Note: Small business customers are those consuming less than 40 MWh of electricity or 1000 GJ of gas a year. Premises that are vacant at the time of disconnection should be excluded. Only completed disconnections should be recorded. That is, where a disconnection has been requested by a retailer but not completed within the reporting period, it should not be counted in the total for that period. If a customer was disconnected twice in the same month, this is counted as two disconnections</p>	<p>This definition of this indicator related to reconnections of small business customers remains unchanged. However, the corresponding indicator for residential customers has been amended, as below.</p>
		<p><b>Indicator:</b> Reconnections within 7 days (residential customers)</p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of customers whose supply was reconnected in the same name and at the same address within 7 days of being disconnected for unreasonable customer action during each month in the reporting period.</p> <p>Note: If a customer was disconnected twice in the same month, this is counted as two disconnections. This indicator relates to disconnections as per clause 111A regarding the</p>	<p>Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator provides information on the timeliness of reconnections following disconnection as a last resort by the retailer.</p>

Reference	Currently states	Proposed amendment	Justification for change(s)
		residential customers to only be disconnected as a last resort for unreasonable customer action.	
B180	<p><b>Indicator:</b> Residential customers falling behind on payment</p> <p><b>Definition:</b> Reported separately for electricity and gas the number of disconnection notices issued where the amount outstanding all relates to the current billing period and is greater than \$120 (exclusive of GST).</p> <p>Note: this is for residential customers only.</p>	<p><b>Indicator:</b> Notices delivered to residential customers related to payment difficulty</p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of notices issued where the amount outstanding all relates to the current billing period and is greater than \$300 (inclusive of GST), where the customer is not disconnected in that month. Provide data separately for:</p> <p>(a) Notifications of suspended assistance (b) Disconnection warning notices.</p>	Expanded to include reporting of notices relating to suspended assistance. This amended indicator focuses on whether the assistance provided was useful at preventing disconnection, and the extent that retailers are engaging with customers facing payment difficulty.
D090	<p><b>Indicator:</b> Disconnections on more than one occasion</p> <p><b>Definition:</b> The number of <u>residential</u> customers disconnected for non-payment during the reporting period who have been disconnected at least once before in the previous 24 months.</p> <p>Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.</p>	<p><b>Indicator name unchanged</b></p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of residential customers on tailored assistance disconnected for unreasonable customer action who have been disconnected at least once before in the previous 24 months. Provide data separately for:</p> <p>(a) Customers who are able to repay their arrears and pay for their ongoing usage costs (b) Customers who cannot afford to pay for their ongoing energy usage costs</p> <p>Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.</p>	Amended to reflect changes in terminology relating to the assistance and support outlined in the new framework. This amended indicator is useful because it provides information on the extent to which customers facing payment difficulty are in a cycle of disconnection.
H060	<b>Indicator:</b> Debt classifications of new entrants	<b>Indicator:</b> Residential customers who commenced tailored	Amended to reflect changes in terminology relating to the assistance

Reference	Currently states	Proposed amendment	Justification for change(s)
	<p>into a hardship program</p> <p><b>Definition:</b> The number of customers entering a retailer’s hardship program during each month within the reporting period with a debt that was:</p> <p>(a) Between \$0 and \$500  (b) Over \$500 but less than \$1,500  (c) Over \$1,500 but less than \$2,500  (d) \$2,500 or more.</p>	<p>assistance, with arrears</p> <p><b>Definition:</b> Reported separately for electricity and gas under each customer category below, the number of customers receiving tailored assistance for the first time during each month within the reporting period with arrears that was:</p> <p>(a) Between \$55 and \$500  (b) Over \$500 but less than \$1,500  (c) Over \$1,500 but less than \$2,500  (d) \$2,500 or more.</p>	<p>and support outlined in the new framework. This amended indicator focuses on the extent of customer arrears prior to receiving tailored assistance from their retailer. This indicator addresses whether the retailer assisted the customer in avoiding getting into arrears and, if the offer of tailored assistance was provided in a timely manner</p>
H100	<p><b>Indicator:</b> Hardship program exists due to switching, transferring or leaving the retailer</p> <p><b>Definition:</b> For each month within the reporting period, the number of customers exiting a retailer’s hardship program because they switched / transferred to another retailer or otherwise left the retailer.</p>	<p><b>Indicator:</b> Residential customers no longer receiving tailored assistance due to transfer</p> <p><b>Definition:</b> Reported separately for electricity and gas, for each month within the reporting period, the number of customers no longer receiving tailored assistance because they switched / transferred to another retailer or otherwise left the retailer.</p>	<p>Amended to align with the terminology of the new framework. This indicator identifies the number of customers that are no longer receiving tailored assistance on the basis of a transfer, rather than those that have cleared their arrears or been suspended for unreasonable customer action. This indicator can be analysed with other indicators to understand the number of customers receiving assistance across Victoria.</p>
D100	<p><b>Indicator:</b> Disconnections of energy concession customers</p> <p><b>Definition:</b> The number of energy concession customers disconnected for non-payment during the reporting period. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.</p>	<p><b>Indicator name unchanged</b></p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of energy concession customers receiving tailored assistance that were disconnected for unreasonable customer action during each month in the reporting period.</p> <p>Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.</p>	<p>Amended to reflect changes in terminology relating to retailer obligations outlined in the new framework regarding disconnections. This indicator identifies the number of concession customers that were receiving tailored assistance and were disconnected for unreasonable customer action. This data is particularly useful for industry or government with a particular interest in concession customers.</p>

Reference	Currently states	Proposed amendment	Justification for change(s)
D130	<p><b>Indicator:</b> Reconnections of energy concessions</p> <p><b>Definition:</b> The number of energy concession customers reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for non-payment. Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.</p>	<p><b>Indicator name unchanged</b></p> <p><b>Definition:</b> Reported separately for electricity and gas, the number of energy concession customers previously receiving tailored assistance that were reconnected in the same name and at the same address during the reporting period within 7 days of being disconnected for unreasonable customer action.</p> <p>Note: An energy concession customer is a residential customer that is recorded by the retailer as eligible for and receiving an energy concession, where the concession is administered by the retailer.</p>	<p>Amended to reflect changes in terminology relating to retailer obligations outlined in the new framework regarding disconnections. This amended indicator can indicate the timeliness of reconnections of concession customers, following disconnection for unreasonable customer action.</p> <p>This data is particularly useful for industry or government with a particular interest in concession customers. This is also a background indicator that can be compared with the levels of disconnections occurring at a point in time.</p>

## Proposed additions to performance indicators

In assessing additions to performance indicators, we considered the objectives of the framework, the outcomes that could be determined, achievability and gaps in the suite of existing performance indicators. We also tested early versions of the proposed performance indicators at a stakeholder workshop on 30 April 2018.

Proposed addition	Proposed definition	Justification for addition
<b>Indicator:</b> Residential customers receiving standard assistance	<p><b>Definition:</b> Reported separately for electricity and gas, the number of customers receiving standard assistance</p> <p>A customer receiving standard assistance as a minimum (as per clauses 76(2)(a-d) and clause 90 of the ERC that applies on 1 January 2019), who is not in arrears of more than \$55 including GST at the end of the reporting period.</p>	<p>This indicator provides information on the number of customers who receive standard assistance to assist them to avoid getting into arrears. This indicator identifies the extent that customers are being supported by their retailer to avoid getting into arrears.</p> <p>It should be noted that this indicator replaces the intent of the existing hardship and payment plan indicators H010, H020, D020, D021, and D022.</p>
<b>Indicator:</b> Residential customers receiving tailored assistance	<p><b>Definition:</b> Reported separately for electricity and gas, the number of customers receiving tailored assistance</p> <p>A customer receiving tailored assistance as a minimum, who is in arrears of more than \$55 including GST at the end of the reporting period, provided in a subset of:</p> <p>(a) customers who can pay their on-going usage, as per clause 79(1)(a-d)(g) and clause 90 of the ERC that applies on 1 January 2019</p> <p>(b) customer who cannot pay their on-going usage, as per clause 79(1)(c-g) and clause 90 of the ERC that applies on 1 January 2019.</p>	<p>This indicator provides information on the number of customers who receive tailored assistance once they are in arrears. This indicator identifies the extent that customers are receiving greater forms of assistance once they are facing payment difficulty. In particular, this indicator identifies the customers receiving assistance who are able to pay their ongoing usage and those that cannot.</p> <p>It should be noted that this indicator replaces the intent of the existing hardship and payment plan indicators H010, H020, D020, D021, and D022.</p>
<b>Indicator:</b> Disconnections of residential customers who did not receive assistance	<p><b>Definition:</b> Reported separately for electricity and gas, the number of customers whose supply was disconnected during each month within the reporting period who had, within the previous 6 months, not received assistance despite anticipating or facing payment difficulties.</p>	<p>This indicator provides information on the number of customers who did not receive assistance before being disconnected for unreasonable customer action. This may be due to retailers not identifying customers anticipating or facing payment difficulty or the customer did not engage with the retailer. This</p>

Proposed addition	Proposed definition	Justification for addition
	<p>Note: To clarify, this includes customers who did not engage, despite anticipating or facing payment difficulties.</p>	<p>indicator also provides information on the effectiveness of the framework in ensuring disconnections only occur as a last resort, or may indicate cases where the requirements of the framework have not been met.</p>
<p><b>Indicator:</b> Residential customers not receiving assistance, with aged arrears</p>	<p><b>Definition:</b> The number of customers not receiving assistance that are in arrears as at the last calendar day of the reporting period:</p> <p>(a) Electricity</p> <ul style="list-style-type: none"> <li>i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24</li> <li>ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old</li> <li>iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24</li> <li>iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old</li> <li>v. over \$2500 where the arrears is more than 12 months old but less than 24</li> <li>vi. over \$2500 where the arrears is more than 24 months old.</li> </ul> <p>(b) Gas</p> <ul style="list-style-type: none"> <li>i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24</li> <li>ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old</li> <li>iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24</li> <li>iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old</li> <li>v. over \$2500 where the arrears is more than 12 months old but less than 24</li> <li>vi. over \$2500 where the arrears is more than 24 months old.</li> </ul>	<p>This indicator provides information on the number of customers having large arrears over time who are not receiving assistance. This indicator is intended to show the extent that retailers are not offering assistance to customers (or where customers have not engaged with their retailer). This may also indicate whether the assistance provided to customers has been effective, particularly when compared to other indicators related to arrears.</p> <p>It should be noted that this indicator is similar to an indicator required by the AER (S.3.19).</p>

Proposed addition	Proposed definition	Justification for addition
<p><b>Indicator:</b> Residential customers receiving assistance, with aged arrears</p>	<p><b>Definition:</b> The number of customers receiving assistance that are in arrears as at the last calendar day of the reporting period:</p> <p>(a) Electricity</p> <ul style="list-style-type: none"> <li>i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24</li> <li>ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old</li> <li>iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24</li> <li>iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old</li> <li>v. over \$2500 where the arrears is more than 12 months old but less than 24</li> <li>vi. over \$2500 where the arrears is more than 24 months old.</li> </ul> <p>(b) Gas</p> <ul style="list-style-type: none"> <li>i. over \$1000 but less than \$1500 where the arrears is more than 12 months old but less than 24</li> <li>ii. over \$1000 but less than \$1500 where the arrears is more than 24 months old</li> <li>iii. over \$1500 but less than \$2500 where the arrears is more than 12 months old but less than 24</li> <li>iv. over \$1500 but less than \$2500 where the arrears is more than 24 months old</li> <li>v. over \$2500 where the arrears is more than 12 months old but less than 24</li> <li>vi. over \$2500 where the arrears is more than 24 months old.</li> </ul>	<p>This indicator provides information on the number of customers receiving assistance that have large arrears over time. This may indicate whether the assistance provided to customers has been effective in managing arrears, particularly when compared to other indicators related to arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.19).</p>
<p><b>Indicator:</b> Residential customers with arrears at disconnection</p>	<p><b>Definition:</b> Reported separately for electricity and gas, the number of customers in arrears as at the last calendar day of the reporting period:</p> <ul style="list-style-type: none"> <li>i. \$55 to \$500</li> </ul>	<p>This indicator provides information on the level of customer arrears upon disconnection. This may indicate whether the assistance provided to customers has been effective at managing arrears and preventing disconnection, particularly when compared to other indicators related to</p>



Proposed addition	Proposed definition	Justification for addition
	ii. \$500 to \$1,000 iii. \$1,500 to \$2,500 iv. \$2,500 or more	arrears. It should be noted that this indicator is similar to an indicator required by the AER (S.3.38).
<b>Indicator:</b> Residential customers who accessed both standard and tailored assistance	<b>Definition:</b> Reported separately for electricity and gas, the number of customers who accessed standard assistance and proceeded to receive tailored assistance in the last 6 months.	This indicator provides information on whether the standard assistance provided to customers was effective in helping customers to avoid getting into arrears.
<b>Indicator:</b> Residential customers who implemented practical assistance measures	<b>Definition:</b> Reported separately for electricity and gas, the number of residential customers that were offered and implemented practical assistance measures to reduce their energy use.	This indicator provides information on the extent that practical assistance was offered and taken up by customers. This may indicate the effectiveness of this form of assistance from retailers to customers in lowering energy costs.
<b>Indicator:</b> Residential customers where their arrears were sold after disconnection	<b>Definition:</b> Reported separately for electricity and gas, the number of residential customer arrears that were sold, 10 days after disconnection.	This indicator provides information on customer arrears after disconnection. We do not currently collect any information relating to the customer experience after being disconnected and it may be useful in understanding the extent to which customers require assistance beyond the reach of the framework.

## Proposed performance indicators to be removed

In assessing which performance indicators were no longer relevant, we considered the objectives of the framework, the outcomes that could be determined and achievability.

Reference	Indicator name	Indicator definition	Justification for deletion
H010	Hardship program participants	<p>The number of current participants in a retailer's hardship program as at the last day of each month within the reporting period, reported under a single 'Energy' category.</p> <p>Additional guidance:</p> <p>No. of participants reported in the previous month</p> <p>+ new entrants into the program</p> <p>- total exits from the program</p> <p>= No. of participants reported as at the end of the current month.</p>	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers receiving assistance.
D120	Reconnections on more than one occasion	The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been disconnected twice in the same reporting period, this is counted as two reconnections.	This indicator provides limited insight into the operation of the payment difficulty framework.
H130	Reconnections of all previous hardship program customers within 12 months	The number of customers whose supply was reconnected in the same name and at the same address within 7 days following disconnection for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.	This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.
H160	Average cost contributed to an energy field audit where a customer contribution was required	<p>Average dollar amount contributed by customers to cover the cost of an energy field audit during each month within the reporting period.</p> <p>Note: The average is based only on customers from whom a partial contribution was required,</p>	The payment difficulty framework requires retailer to provide advice and practical assistance broader than just energy field

Reference	Indicator name	Indicator definition	Justification for deletion
		thereby excluding those audits provided at no cost to the customer.	audits. This indicator offers limited ability to assess the effectiveness of the framework.
H030	Hardship program participants receiving energy concessions	<p>The number of current participants in a retailer's hardship program as at the last calendar day of each month within the reporting period who are also energy concession customers. An energy concession customer is a residential customer that is recorded by the retailer as eligible for and is receiving an energy concession, where the concession is administered by the retailer.</p> <p>Note: By default, this will also enable the Commission to calculate the remaining participants in a hardship program who are not in receipt of energy concessions.</p>	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the payment difficulty framework.
D023	Duration of instalment payment plans	<p>Reported separately for electricity, gas and energy under each customer category below, the number of customers with an instalment payment plan in place as at the last day of the reporting period with a duration of:</p> <ul style="list-style-type: none"> <li>(a) less than 6 months</li> <li>(b) 6 to 12 months</li> <li>(c) 12 to 24 months</li> <li>(d) more than 24 months.</li> </ul> <p>This should be separated for customers inside and outside the retailer's hardship program. Duration can be based on the agreed duration at the time the plan is agreed. There may be instances where a customer on an instalment plan elects to continue to make regular payments after any outstanding sums have been paid. In such instances, the customer has moved to a bill smoothing arrangement and from that time should not be considered to be on an instalment payment plan. 'Energy' instalment plans include any plans which are for a combined electricity and gas debt, which do not need to be reported separately.</p>	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.
D070	All reconnections	Reported separately for electricity and gas, under each customer category below, the total number of customers reconnected in the same name and at the same address (regardless of the date of disconnection) during the reporting period.	This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.

## Appendix B – Proposed changes to performance indicators

Reference	Indicator name	Indicator definition	Justification for deletion
		(a) Residential customers (b) Small business customers; that is, those consuming less than 40 MWh of electricity or 1000 GJ of gas a year.	
D110	Reconnections previously on an instalment payment plan	The number of residential customers reconnected during the reporting period within 7 days of being disconnected for non-payment, who had been on an instalment payment plan in the previous 12 months. Note: If a customer is reconnected twice in the same reporting period, this is counted as two reconnections.	This indicator offers a limited ability to assess the effectiveness of the payment difficulty framework.
D024	Debt on entry to instalment payment plans	Reported separately for each category of duration of instalment payment plans.  The debt of those customers entering a payment plan  (a) less than \$300  (b) \$300-\$1000  (c) over \$1000.	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.
H140	Energy field audits provided at no cost	The number of energy field audits provided at no cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	The new framework requires retailer to provide advice and practical assistance broader than just energy field audits. This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.
H150	Energy field audits provided at partial costs	The number of energy field audits provided at partial cost to customers during each month within the reporting period. By definition, this excludes energy audits conducted by telephone.	The payment difficulty framework requires retailer to provide advice and practical assistance broader than just energy field audits. This indicator offers limited ability to

## Appendix B – Proposed changes to performance indicators

Reference	Indicator name	Indicator definition	Justification for deletion
			assess the effectiveness of the framework.
H170	Appliances provided under hardship program	The number of appliances provided to participants of a retailer's hardship program, either by the retailer or by a third party nominated by the retailer, during each month within the reporting period. This indicator is intended to reflect the Energy Legislation (Hardship, Metering and Other Matters) Act 2006 (page 4) which refers to "flexible options for the purchase or supply of replacement electrical equipment designed for domestic use".	The payment difficulty framework requires retailer to provide advice and practical assistance broader than the provision of appliances. This indicator offers limited ability to assess the effectiveness of the framework.
H020	New entrants into retailer's hardship program	The number of customers accepted into a retailer's hardship program during each month within the reporting period.	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers receiving assistance.
H040	Customers denied access to a retailer's hardship program	The number of customers denied access to a retailer's hardship program during each month within the reporting period. This includes those customers referred to the hardship program by any means but who are not accepted into the program. It does not include customers who decline to participate in the program.	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers receiving assistance.
D080	Disconnected previously on an instalment payment plan	The number of residential customers disconnected for non-payment during the reporting period that were on an instalment payment plan in the previous 12 months.  Note: If a customer is disconnected twice in the same reporting period, this is counted as two disconnections.	This indicator offers limited ability to assess the effectiveness of the payment difficulty framework.

## Appendix B – Proposed changes to performance indicators

Reference	Indicator name	Indicator definition	Justification for deletion
H120	Disconnections of all previous hardship program customers within 12 months	The number of customers whose supply was disconnected for non-payment during each month within the reporting period who had, within the previous 12 months, been on the retailer's hardship program.	The terminology in this indicator no longer aligns with the new payment difficulty framework. Note that the intent of this indicator has been replaced with a new proposed indicator relating to customers disconnected for unreasonable customer action.
D020	Instalment payment plans	<p>The number of customers (disaggregated according to whether in a retailer's hardship program or not) with an instalment payment plan in place on the last calendar day of each month within the reporting period. Further guidance:</p> <ul style="list-style-type: none"> <li>- An instalment payment plan is an arrangement between a retailer and a customer who is experiencing payment difficulties, for the customer to pay arrears and continued usage on their account according to an agreed payment schedule and their capacity to pay.</li> <li>- Customers using a payment plan as a matter of convenience or for flexible budgeting purposes are not to be counted for the purposes of reporting this indicator.</li> <li>- Must involve at least three instalments.</li> <li>- The key point is that the arrangements enable the customer to continue to receive supply and avoid disconnection.</li> </ul> <p>There may be instances where a customer on an instalment plan elects to continue to make regular payments after any outstanding sums have been paid. In such instances, as indicated by the definition, the customer has moved to a bill smoothing arrangement and from that time should not be considered to be on an instalment payment plan.</p>	The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.
D021	Instalment payment plans not covering use	Reported separately for electricity, gas and energy for residential customers only. Residential customers with payment plans where the terms of the plan do not cover ongoing use. That is, even	The terminology in this indicator no longer aligns with the new payment difficulty

## Appendix B – Proposed changes to performance indicators

Reference	Indicator name	Indicator definition	Justification for deletion
		<p>if all instalments are made on time, the customer's debt would rise over time. Ongoing use can be calculated at the time the plan is agreed, based on the customer's consumption history. 'Energy' instalment plans include any plans which are for a combined electricity and gas debt, which do not need to be reported separately. This should be separated for customers inside and outside the retailer's hardship program.</p>	<p>framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.</p>
D022	Instalment plans covering use	<p>Reported separately for electricity, gas and energy for residential customers only. Residential customers with payment plans where the terms of the plan cover ongoing use. That is, if all instalments are made on time, the customer's debt would decrease over time.</p> <p>Ongoing use can be calculated at the time the plan is agreed, based on the customer's consumption history. This should be split by</p> <ul style="list-style-type: none"> <li>(a) Customers meeting the terms of the plan</li> <li>(b) Customers not meeting the terms of the plan where: <ul style="list-style-type: none"> <li>— Debt remains steady over time</li> <li>— Debt reduces over time</li> </ul> </li> </ul> <p>'Energy' instalment plans includes any plans which are for a combined electricity and gas debt, which do not need to be reported separately. This should be separated for customers inside and outside the retailer's hardship program.</p>	<p>The terminology in this indicator no longer aligns with the new payment difficulty framework. This indicator also offers limited ability to assess the effectiveness of the new payment difficulty framework, which includes forms of assistance beyond payment plans.</p>

## Appendix C – Proposed changes to compliance reporting obligations

### Proposed modifications to existing compliance reporting obligations

Reference	Currently states	Proposed amendment	Justification for change(s)
RB0141	<p><b>Obligation:</b> Clause 76A - Supply capacity control product</p> <p><b>Description:</b> Not to offer a supply capacity control product for any credit management purpose.</p>	<p><b>Obligation:</b> Substitute Clause 76A with 'Clause 93.</p> <p><b>Description:</b> Insert 'to a residential customer' before the words 'for any credit control purpose'.</p>	<p>The clause dealing with supply capacity control products has moved to clause 93 and is limited to residential customers rather than all customers. This obligation has not materially changed and is proposed to remain as a Type 1 obligation.</p> <p>This obligation should remain as a Type 1 reporting obligation as it involves the potential interruption of supply to a residential customer which could have critical consequences for that customer. Further, allowing retailers to use supply capacity control products for credit management purposes would have the effect of undermining the disconnection safeguards established by the payment difficulty framework.</p>
RB1210	<p><b>Obligation:</b> Clause 71B(2) – Minimum requirements for customer hardship policy</p> <p><b>Description:</b> Details the minimum requirements for a customer's hardship policy of a retailer</p>	<p><b>Obligation:</b> Substitute 'Clause 71B(2) – Minimum requirements for customer hardship policy' with 'Clause 85 – Content of financial hardship policies'</p> <p><b>Description:</b> Substitute 'Details the minimum requirements for a customer's hardship policy of a retailer' with 'Details the minimum requirements for a financial hardship policy of a retailer'.</p>	<p>The clause relating to the content of hardship policies is now in clause 85, 'Contents of financial hardship policies'. Additionally, the new payment difficulty framework uses the term 'financial hardship policy' rather than 'customer hardship policy'. As the obligation has not materially changed we propose that it should remain as a Type 2 obligation. Failure to provide this information could result in a residential customer being unaware of assistance which may allow them to maintain supply.</p>
RB1220	<p><b>Obligation:</b> Clauses 71(2) and (3) - Details of the financial hardship policy</p>	<p><b>Obligation:</b> Substitute 'Clauses 71(2) and (3) - Details of the financial hardship policy' with 'Clause 86 –</p>	<p>Clause 86 of the revised Energy Retail Code replaces provisions in clause 71 of version 11 of the Energy Retail Code. We therefore</p>



Reference	Currently states	Proposed amendment	Justification for change(s)
	<p><b>Description:</b> The retailer must publish details of the hardship policy in a form easily accessible to customers and provide details to customers and financial counsellors on request.</p>	<p>Provision of information to customers'.</p> <p><b>Description:</b> Substitute 'The retailer must publish details of the hardship policy in a form easily accessible to customers and provide details to customers and financial counsellors on request.' with 'The retailer must publish its financial hardship policy on its website in a form easily accessible to customers and provide a copy to any residential customers on request. The retailer must also ensure that information is readily available to residential customers about the retailers financial hardship policy, assistance available under Division 1 and 2 of Part 3, approaches to lowering energy costs, and government and non-government assistance.'</p>	<p>propose it remains as a Type 3 obligation. We consider a breach of this obligation as not critical or serious however it's important that customers are aware of their retailer's hardship policy. The failure to publish the hardship policy on its website is unlikely to have a critical impact particularly given clause 80(2), as retailers have an obligation to contact customers who fall into arrears and do not pay their bill by a pay-by date and provide information about their entitlements.</p>

## Proposed additions to compliance reporting obligations

Proposed addition	Proposed description	Justification for addition
Clause 76 – Standard assistance	Retailers must take steps to provide the forms of standard assistance to their retail customers	This obligation is designed to help residential customers avoid getting into arrears. The provision of standard assistance is a key element of the new payment difficulty framework and is proposed to be classified as a Type 1 obligation. Failure to comply with this obligation could result in a customer falling into arrears when this could have been avoided. A customer falling into arrears is considered to be a critical impact on that customer. Further, the impact of non-compliance by a retailer is likely to compound with time as it would allow a customer to fall further into arrears.
Clause 79 – Minimum assistance	Residential customers who are in arrears are entitled to certain types of tailored assistance to make it easier to pay for their on-going energy use, repay their arrears and lower their energy costs	The provision of tailored assistance is a key element of the new payment difficulty framework and is proposed as a Type 1 obligation. A breach of this obligation would have a critical impact on a customer who may be consequently unable to pay for their energy supply. The impact of non-compliance by a retailer could compound the breach with time as it may cause the customer to fall further into arrears.
Clause 80 – Information about assistance available	Retailers must provide customers who have not paid a bill on time and who contact the retailer, with information regarding the tailored assistance they are entitled to. Retailers must also contact customers who do not pay a bill on time and who have more than \$55 in arrears and provide them information about the tailored assistance available to them	The provision of information to customers who have not paid their bill is vital to ensure that the customer is made aware of their entitlements to assistance under the payment difficulty framework. Information allows a customer to make decisions in their own interest. Failure to provide this information in a timely manner deprives the customer of the opportunity to act in a manner that maximizes their financial and other interests. This is a breach with critical impacts. Accordingly, we propose it should be classified as a Type 1 obligation.
Clause 81 – Payment arrangements	Outlines the types of payment arrangements that a retailer must accept and may accept if a residential customer whose payments are in	Ensuring appropriate payment arrangements is a key part of the payment difficulty framework and a breach of this obligation would have a critical impact

### Appendix C – Proposed changes to compliance reporting obligations

Proposed addition	Proposed description	Justification for addition
	arrears.	on a customer who may be consequently unable to pay for their energy supply. Accordingly, this provision is proposed as a Type 1 obligation. Further, this clause is similar in nature to the previous clause 72 that was a Type 1 obligation.
Clause 83 – Continued provision of assistance	Provides that a retailer must continue to provide tailored assistance to a residential customer unless the customer has refused to take reasonable action towards paying for their on-going energy use or arrears or the customer is no longer facing payment difficulties	Ensuring that retailers continue to provide tailored assistance is a critical component of the payment difficulty framework. The fact that the retailer must continue to provide assistance unless they can demonstrate the customer has refused or failed to take reasonable action towards paying for their energy use or the customer can otherwise afford to pay ensures that disconnection of energy supply is a measure of last resort. Failure to comply with this obligation would have a critical impact on a customer and would undermine the purpose of Part 3 of the Energy Retail Code. Accordingly this obligation is proposed to be a Type 1 obligation.
Clause 91 – Restriction on conditions	Provides that a retailer must not impose any conditions on the provision of assistance under the payment difficulty framework.	Ensuring that residential customers are able to easily access assistance is a critical aspect of the payment difficulty framework.  This obligation requires a retailer to not place conditions on the provision of assistance to customers that would either require the customer to provide personal or financial information. A breach of this obligation would expose customers to unfair practices and would deny access to the safeguards provided by Part 3 of the Energy Retail Code which could have a critical impact. Accordingly, this obligation is proposed to be classified as a Type 1 obligation.
Clause 92 – Debt	Outlines the restrictions on retailers to recover or sell a residential customer's debt.	This obligation prevents sale of customer debt until after 10 business days following disconnection of a customer from their energy supply. Debt recovery can have extreme and adverse impacts on customers. Failure to comply with this obligation would therefore have critical impacts on customers. Clause 92 is

Proposed addition	Proposed description	Justification for addition
		similar in nature to the previous clauses 33 and 72A of version 11 of the Energy Retail Code that dealt with payment difficulties and debt recovery and were Type 1 obligations. Accordingly, this provision remains a critical component of the payment difficulty framework and is proposed to be a Type 1 obligation.
Clause 89 – Retailer obligations	Provides various obligations that retailers must comply with when dealing with customers or government including acting fairly, communicating clearly and unambiguously, providing assistance in a timely manner and comply with any guideline published by the Commission.	Non-compliance with clause 89 could result in a serious impact on customers because it imposes obligations to provide timely and unambiguous information about assistance offered by the retailer and government and community service providers and requires compliance with any relevant guideline published by the commission relating to customers in payment difficulty, including those who may be experiencing family violence. Failure to comply with this obligation may result in a customer not receiving their entitlements under the new framework. This obligation has therefore been proposed as a Type 2 obligation.
Clause 82 – Non-payment of amounts towards on-going energy use	Provides that a retailer must contact and work with a residential customer whose payment of arrears is on hold if the customer fails to make payments towards their ongoing energy use or if they fail to implement practical assistance.	Ensuring that retailers contact and work with customers who are facing payment difficulty is a critical aspect of the new framework. Failing to contact customers whose payments of arrears are on hold and do not make payments for their ongoing use may have a serious impact on a customer. However, a breach of this obligation is unlikely to result in a 'critical' impact on a customer on the basis that if a retailer fails to contact the customer the retailer must continue to provide tailored assistance (pursuant to section 83) and is prohibited from disconnecting the customer (pursuant to section 111A). Accordingly, this obligation is proposed as a Type 2 obligation.
Clause 87 – Written communications	Provides that communications to customers must be expressed in plain language, legible, presented clearly and appropriately and provided free of charge. In addition, this provision sets out the requirement to send written material by post unless the customer has given explicit informed consent to another method.	If a customer is not able to understand correspondence from their retailer they may not be aware of the assistance measures they are entitled to under the payment difficulty framework. Accordingly, this obligation is proposed as a Type 2 obligation as failure to comply with clause 87 may result in serious impact to a customer.

## Appendix C – Proposed changes to compliance reporting obligations

Proposed addition	Proposed description	Justification for addition
Clause 94 – Payment by Centrepay	Requires retailers to allow residential customers on standard retail contracts to pay with Centrepay. This clause also requires retailers to either transfer, without cost or penalty, a customer who is on a market retail contract to an alternative market retail contract which allows for payment by Centrepay or allow the market retail contract residential customer to pay by Centrepay.	Customers who need to be able to pay their energy bills by Centrepay are likely to be especially vulnerable customers with limited financial means. Accordingly, an inability to pay for energy using Centrepay is likely to have a serious impact on these customers. Accordingly, this obligation is proposed as a Type 2 obligation.

## Proposed compliance reporting obligations to be removed

Reference	Obligation name	Obligation description	Justification for deletion
RB0130	Clause 33 & 72A - Payment difficulties and debt recovery	<p>Outlines the process of assessment and assistance to domestic customers experiencing financial difficulties and recovery of debts from these customers.</p> <p>Invoking legal proceedings in relation to debt collection.</p>	This reporting obligation has been replaced by an equivalent obligation relating to new clause 92 'Debt'.
RB0140	Clause 72 - Payment plans	The retailer's requirements when offering a payment plan.	This reporting obligation has been replaced by an equivalent obligation relating to new clause 81 'Payment arrangements'.
RB0850	Clause 72(3) – Payment plans	Retailer's obligations upon a request for a payment plan for a small customer who is not a residential customer.	This reporting obligation has been replaced by an equivalent obligation relating to new clause 81 'Payment arrangements'.
RB1200	Clause 71B(1) – Equitable Access to hardship policy	The retailer must provide residential customers in financial hardship with equitable access to the options in their policy appropriate to their individual circumstances.	Retailers are now required to offer Standard assistance and Tailored assistance to all residential customers. These requirements are covered under a new reporting obligation in clause 76 and 79.