

Submission in response to:

Essential Services Commission of South Australia (ESCOSA)

Review of small-scale network reporting requirements and prescribed customer consumer protections

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Submission by:

Dr Lee White, Visiting Fellow at the Australian National University School of Regulation and Global Governance <https://researchers.anu.edu.au/researchers/white-lx>

Brad Riley at the Australian National University's Centre for Aboriginal Economic Policy Research <https://researchers.anu.edu.au/researchers/riley-b>

Sally Wilson at the Australian National University's Crawford School of Public Policy <https://crawford.anu.edu.au/people/phd/sally-wilson>

Michael Klerck, Social Policy and Research Manager at Tangentyere Council <https://researchers.uon.edu.au/researchers/klerck-m>

Vanessa Napaltjari Davis, Senior Aboriginal Researcher at Tangentyere Research Hub <https://tangentyere/researchers/davis-vn>

*Dr Lee White is a Visiting Fellow at the ANU's School of Regulation and Global Governance; Brad Riley is a Research Fellow at the ANU's Centre for Aboriginal Economic Policy Research; Sally Wilson is a PhD candidate at the ANU's Crawford School of Public Policy.*

## Introduction

Thank you for the opportunity to provide a submission in response to the review of regulatory issues relating to South Australia's small-scale electricity networks initiated by the Essential Services Commission of South Australia (**Commission**) on 4 December 2023 (**review**). The review addresses two discrete matters:

- 1) Ongoing appraisal of the consumer protections framework which applies to Aboriginal residents of public housing in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, Yalata and Maralinga Tjaruta (Oak Valley), who are required to prepay for electricity services on a mandatory basis (**mandatory prepay customers**); and
- 2) Review of performance reporting requirements in small-scale networks as set forth in Regulatory Reporting Requirements Guideline No. 5 (**Guideline 5**).

We are an interdisciplinary research team at the Australian National University (**ANU**), whose research focuses on energy insecurity and disparities in regulatory protections relating to household electricity access and supply in Australia. Our submission responds to both matters for review and reflects the findings of our team's recent research outputs, as evidenced in the following publications:

White, L.V., Riley, B., Wilson, S., Markham, F., O'Neill, L., Klerck, M., & Davis, V. N. (2024). Geographies of regulatory disparity underlying Australia's energy transition. *Nature Energy*. <https://doi.org/10.1038/s41560-023-01422-5>

**This quantitative research demonstrates that remote and majority Indigenous communities in Australia are more likely to be underserved across five key regulatory safeguards for household electricity supply, including disconnection reporting and solar access.**

White, L.V., Riley, B., Wilson, S. et al. Regulatory disparities disadvantage remote Australian communities in energy transition. *Nat Energy* 9, 14–15 (2024). <https://doi.org/10.1038/s41560-023-01433-2>

**Policy brief based on White et al. (2024) recommends that transparent and timely disconnection reporting (including 'self-disconnections') should be required nationwide for all customer types (prepay and post-pay). Further, it highlights that only 2 of 631 communities where prepay can operate have clarity of connection processes to access the known benefits of rooftop solar. Urgent remedial policymaking is required to address the current limited extent of household access to solar among this under-served and financially constrained cohort.**

Longden, T., Quilty, S., Riley, B., White, L., Klerck, M., Davis, V. N., & Jupurrurla, N. F. (2021). Energy insecurity during temperature extremes in remote Australia. *Nature Energy*, 7, 43-54. <https://doi.org/10.1038/s41560-021-00942-2>

**This study of energy data from 3,300 prepay households in 28 remote Indigenous communities in the Northern Territory showed 74% of households disconnected from energy services more than ten times annually, with the risk of disconnection for high energy use households increasing to one in three during temperature extremes (hot and cold) in the Central Australian climate zone. From a balanced panel of 1,045,725 observations, >111,000 incidences of involuntary self-disconnection were recorded – >49,000 of which occurred during (hot or cold) temperature extremes.**

Riley, B. et al. (2023) Connected: rooftop solar, prepay and reducing energy insecurity in remote Australia. *Australian geographer*, 54 (3), 325–346.

**This case study finds that access to fully subsidized rooftop solar wholly mitigates the incidence of involuntary 'self-disconnection' due to inability to pay, for a single (the first) prepay household to connect PV to prepay in public housing in Australia's remote Northern Territory.**

Copies of these publications are included in the Annexure to this submission.

### [Executive summary](#)

Our submission makes the following key recommendations:

#### **Consumer protections framework for mandatory prepay customers**

1. The suggested improvements to reporting requirements relating to mandatory prepay services are generally good. However, it remains our position that prepay as a first and only option for Indigenous households experiencing vulnerability is inconsistent with the provisions contained within the United Nations Declaration of the Rights of Indigenous Peoples (**UNDRIP**), particularly the principal requirement of First Nations people's Free, Prior and Informed Consent (**FPIC**; Article 19) to activities affecting them. Research demonstrates that for low-income households prepay is often associated with pervasive and negative social, health and wellbeing impacts. The Commission's own public reporting shows that household self-disconnections are regularly experienced by mandatory prepay customers in remote South Australia – despite the implementation of bespoke consumer protections designed to provide hardship support and minimise disruption to essential household electricity supply. Prepayment – with the attendant risk of immediate disconnection upon failure to pay – should not be the first and only payment system available where other options such as building energy efficiency improvements, alternative post-payment arrangements (with shorter billing cycles linked to Centrepay) and household access to rooftop or community solar, can all assist residents to reduce energy consumption while keeping connected to essential energy services in support of wellbeing.
2. We urge ESCOSA to advocate for a parliamentary review of the use of mandatory prepayment for Aboriginal households in remote parts of the state, in consideration of the documented impacts of the policy and the enabling regulatory regime upon priority communities. Such an approach is consistent with ESCOSA's objective to protect the long-term interests of South Australian consumers and its commitment to Reconciliation by putting an end to racism and discrimination and supporting equity, unity and equality, including under its Reconciliation Action Plan.
3. We limit our recommendations on the existing 'prescribed customer' consumer protection framework to areas which may provide improvements for households in the current circumstances where mandatory prepayment applies. This includes recommendations to:
  - a. Ensure a South Australian Government commitment to providing prepay households with access to the benefits of rooftop or community solar to avoid frequent disconnections;
  - b. Provide assistance for customers affected by family violence;
  - c. Provide extreme weather protections that prohibit prepay household disconnections and accrual of debt during hot and cold temperature thresholds;
  - d. Ensure a commitment to quarterly public reporting of prepay customer wellbeing indicators; and

- e. Implement a guaranteed service level (**GSL**) scheme across small-scale networks, including RAES Aboriginal Communities, to compensate households for supply interruptions.

## Review of performance reporting requirements Guideline 5

1. Post-pay customers in South Australia's small-scale networks (i.e., off-grid locations) should be covered by the same disconnection reporting requirements as on-grid customers.
2. The inclusion of voluntary prepay customer reporting metrics in Guideline 5 is supported, however we recommend additional indicators to enhance the visibility of prepay use in off-grid contexts and to better understand the needs of households facing significant energy burdens in the state's remote communities.
3. We recommend quarterly public reporting of voluntary prepay customer wellbeing indicators, consistent with our recommendation above for mandatory prepay customers. In particular, quarterly public reporting of prepay disconnection data ('self-disconnections') is required to better understand the experiences of prepay households and the link between seasonality and disruptions to essential electricity services.

### 1. Submissions on the mandatory prepay customer framework

#### Core submission

The mandatory use of prepayment exclusively for Aboriginal residents of public housing in remote Aboriginal communities of South Australia was implemented by the Electricity (General) (Payment Condition) Variation Regulations 2021 (SA) (**Variation Regulations**). The Commission observes that "it has a narrow remit in relation to the consumer protections it can enact for prescribed customers due to the prescriptive nature of the Variation Regulations". Our view remains that there are fundamental issues of racial discrimination and equity which must be addressed by the Commission and the South Australian Government in relation to the implementation of mandatory prepayment for electricity services among 'prescribed customers' in the APY Lands, Yalata and Maralinga Tjarutja (Oak Valley). The implications of the Variation Regulations under the *Racial Discrimination Act 1975* (Cth) (**RDA**) are raised in a letter from the South Australian Legislative Review Committee (**LRC**) to the Minister for Energy and Mining, the Hon Tom Koutsantonis MP, dated 27 September 2022, in which the LRC expresses concerns that:

*"the prepayment meter system is the only option available to prescribed customers subject to any exemption that may be granted by the Minister*

*under regulation 17A(3) of the regulations. No other electricity consumers in South Australia are put in this position.”<sup>1</sup>*

In response, the Minister asserted that mandatory prepay as imposed by the Variation Regulations is not racially discriminatory under the RDA based on its characterisation as a ‘special measure’ i.e., an exception to the law allowing certain measures which would otherwise be regarded as racially discriminatory<sup>2</sup>. In this regard the Minister refers to legal advice from the South Australian Crown Solicitor’s Office (**CSO**) that claims the positive benefits of a lower electricity tariff – currently extended to mandatory prepay customers – are wholly adequate to overcome any racial discrimination arising from the Variation Regulations.

Yet, our understanding of the ‘special measure’ exception under the RDA is that, to qualify, a measure must: confer a benefit on a class of persons; must be necessary to remedy an existing disadvantage they experience; and must have the sole purpose of overcoming that disadvantage while it operates<sup>3</sup>. Addressing these elements, we observe that, as it stands, the reduced tariff for mandatory prepay customers is both temporary and discretionary; moreover, it does not form part of the Variation Regulations themselves and yet their characterization as ‘special measures’ turns on the use of a reduced tariff in perpetuity. Additionally, the reduced tariff is explicitly intended to align with the standard RAES tariff (i.e., increase incrementally) over time. In practice, the benefit identified is not intended and is in no way guaranteed as applying indefinitely, as distinct from the Variation Regulation, which does apply indefinitely.

Further, the Variation Regulations lack the singular purpose needed to qualify for the ‘special measures’ exception. As noted above, the Variation Regulations itself does not confer the benefit of a reduced tariff to affected households. Based on the Department for Energy and Mining’s (**DEM**) Issues Paper, the purpose of the Variation Regulations is primarily demand reduction and cost savings for the State through the implementation of a price signal across the RAES Aboriginal Communities footprint<sup>4</sup>.

We question the efficacy of mandatory prepay as the only option in these circumstances. Given the rollout of smart metering in remote Aboriginal communities there are other payment options available to meet the needs of communities, including post-pay with shortened billing cycles linked to Centrepay. Alternative post-pay options avoid the risks of involuntary household self-disconnection that is the core logic of prepay functionality, and which exposes low-income households to energy insecurity due to poverty. Mandatory

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<sup>1</sup> Letter from the South Australian Legislative Review Committee to the Hon Tom Koutsantonis dated 27 September 2022, available online at <<https://www.parliament.sa.gov.au/en/Committees/Committees-Detail>>.

<sup>2</sup> Letter from the Hon Tom Koutsantonis to the South Australian Legislative Review Committee dated 14 November 2022, available online at <<https://www.parliament.sa.gov.au/en/Committees/Committees-Detail>>.

<sup>3</sup> See: <https://humanrights.gov.au/our-work/guidelines-understanding-special-measures-racial-discrimination-act-1975-cth-2011>.

<sup>4</sup> See: [https://www.energymining.sa.gov.au/\\_\\_data/assets/pdf\\_file/0006/674286/Proposed\\_Amendment\\_to\\_Customer\\_Payment\\_Regulation\\_Issues\\_Paper.pdf](https://www.energymining.sa.gov.au/__data/assets/pdf_file/0006/674286/Proposed_Amendment_to_Customer_Payment_Regulation_Issues_Paper.pdf).

prepayment as enacted by the Variation Regulation creates measurable disadvantages for remote-living Aboriginal households, particularly so for the elderly, young children, people with medical conditions and those unable to change their energy consumption patterns for myriad reasons. Rather than remedying any pre-existing disadvantage that they may have experienced mandatory prepayment adds energy insecurity, or immediate disconnection upon failure to pay, to the list of disadvantages faced by residents.

Public reporting on the incidence of self-disconnection as an indicator of energy insecurity shows that despite a bespoke consumer protection framework and reduced tariff structure, households continue to experience regular disruptions to essential electricity services in the home <sup>5</sup>. Specifically, between 12 July 2022 and 30 June 2023:

- 392 mandatory prepay households experienced a total of 5,140 involuntary self-disconnections – i.e., an average of 12 disconnections per household <sup>6</sup>;
- 68% of these disconnections lasted for 3 hours or more;
- More than one-quarter of disconnections (~28%) lasted for between 4-24 hours;
- Household energy consumption has not reduced in a meaningful way since the introduction of a price signal, indicating that households have limited ability to change their energy consumption behaviours due to factors beyond their control, including poorly performing housing, energy inefficient appliances and overcrowding;
- Peak energy consumption and disconnections occur during colder months.

While there is an emphasis placed on the *length* of disconnections in reporting to date, we observe that disconnections of any duration adversely impact households as food and medicine spoil in the heat and housing becomes too hot (or cold) to live in. The National Energy Customer Framework (**NECF**) recommends that disconnection from electricity is only ever as ‘a last resort’ and is a measure best avoided by responsible policymakers. There is currently no credible policy guidance as to either an acceptable duration or frequency for prepay household disconnection, irrespective of a households’ capacity to pay.

The Commission and State Government should review the imposition of mandatory prepayment for remote Aboriginal households considering their own express commitments to Reconciliation, Voice and the National Agreement on Closing the Gap in partnership with First Nations.

### Consumer protections and public reporting

In circumstances where mandatory prepayment applies, we make the following recommendations:

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<sup>5</sup> See: <https://www.escosa.sa.gov.au/industry/electricity/regulatory-performance/small-scale-electricity-networks/cowell-electric>

<sup>6</sup> While this average provides an indication of household energy insecurity following the introduction of mandatory prepayment, we acknowledge that the prepay rollout occurred incrementally across affected communities and as a result some households have been using prepayment – and have been exposed to the risk of self-disconnections – for longer than others.

## 1. Consumer protections

Our national review of consumer protections for electricity services identifies gaps in consumer protections for off-grid customers in South Australia compared to on-grid customers<sup>7</sup>. These include assistance for customers affected by family violence, extreme weather protections, access to a GSL scheme and access to rooftop solar. The disparities in consumer protections identified adversely affect both mandatory prepay ('prescribed') customers and other off-grid customers. Remedying these disparities will benefit off-grid customers generally and mandatory prepay customers specifically, as they experience direct vulnerabilities across these categories of protections.

In relation to the gaps in protection for customers experiencing **family violence**, we note MoneyMob Talkabout's previous submission to the Commission dated June 2022 where it stated that:

*MMT is concerned that there are no protections available to and no policy framework contemplated for remote energy customers who may be experiencing domestic and family violence (including elder abuse). There are very high levels of domestic and family violence experienced in remote communities and the higher prevalence of domestic violence in the Indigenous population is well documented nationally. This is a very complex and personal issue and without proper resourcing and support for clients experiencing hardship or well-trained staff at the retailer's end, this could see customers experience (additional) financial and personal stress.*<sup>8</sup>

Given the emergence of family violence protections nationally, including under the NECF, Energy Retail Code of Practice (Victoria), and Code of Conduct for the Supply of Electricity to Small Use Customers 2023 (Western Australia) (**WA Code**), there is a clear priority for the Commission to address existing gaps in protections for mandatory prepay customers and other off-grid customers. We note that the WA Code, (Part 13) provides a precedent for protections that address prepay and post-pay customers. However, under that framework one of the main protections offered to vulnerable prepay customers is the option to switch to post-pay without charge (s. 67) in order to access a greater range of supports which include additional protections from disconnection for non-payment (s. 91(2)(i)). This option does not have application in the case of *mandatory* prepay customers, creating the need for different options and supports to be designed in the SA context based on community-identified priorities and needs.

In relation to **extreme weather protections** mandatory prepay customers and other off-grid customers in South Australia are not afforded protections from disconnection during extreme weather that are afforded to on-grid customers under the National Energy Retail

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<sup>7</sup> White, L.V., Riley, B., Wilson, S. et al. Regulatory disparities disadvantage remote Australian communities in energy transition. *Nat Energy* 9, 14–15 (2024). <https://doi.org/10.1038/s41560-023-01433-2>

<sup>8</sup> See: <https://www.escosa.sa.gov.au/ArticleDocuments/21883/20220607-Electricity-CowellElectricLicenceAmendment-ProposedPrepaymentDraftDecision-Submission-MoneyMob.pdf.aspx?Embed=Y>

Rules (**NERR**), Rule 116(h), enlivened by the *National Energy Retail Law (Local Provisions) Regulations 2013 (SA)*, reg 8. Based on the higher incidence of self-disconnections among mandatory prepay customers already documented during winter months, we recommend the Commission apply disconnection moratoriums for mandatory prepay customers above and below specific temperature (hot and cold) thresholds that are harmful to health. This protection should be extended to other off-grid households, whether they use post-pay or are mandated or choose to use prepay.

In relation to **rooftop solar access**, we observe that while a model standing offer for connection of rooftop solar is available for on-grid households in South Australia the same or comparable rights and opportunities do not extend to off-grid customers, based on South Australian Government policy<sup>9</sup>. This policy approach places mandatory prepay customers at a cumulative disadvantage. Prior research shows that, for prepay customers, rooftop solar can wholly ameliorate the risk of involuntary self-disconnection through reducing household energy expenses. We recommend the Commission and the South Australian Government extend the benefits of solar access directly with households in remote communities on the basis that it remediates documented high levels of energy insecurity, with attendant benefits for health, safety and wellbeing among low-income households in priority communities.

We support the introduction of a **GSL** scheme for mandatory prepay communities and more broadly across small-scale networks to address existing regulatory gaps and compensate customers for supply interruptions. Currently, SA's off-grid customers do not have access to the benefits of a GSL scheme that are extended to on-grid customers.

## 2. Public reporting

As noted by the Commission, a key aspect of the protections for mandatory prepay customers is “public reporting that is intended to highlight any systemic issues or gaps in the consumer protection framework”. The licensed retailer Cowell Electric is required to report against key metrics on a quarterly basis and to date the Commission has provided one annual public report summarising the outcomes. Given the welfare impacts attending introduction of mandatory prepay demonstrated in the first report, the Commission should commit to quarterly public reporting to ensure greater visibility of the situation and commit to remedial policy action where required.

We note the Commission proactively sought and published energy consumption information across mandatory prepay communities i.e., ‘total electricity consumption (in kWh) of prescribed customers per community’ as part of the first report. In addition, we note the proposed inclusion of ‘average amount of Centrelink deductions in effect for households per community’ and the ‘maximum and minimum amount of Centrelink deductions in effect’. We support the addition of both metrics as instructive on an ongoing basis. Centrelink deductions are currently managed by the retailer; as such it is

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<sup>9</sup> See: [https://www.energymining.sa.gov.au/\\_\\_data/assets/pdf\\_file/0008/670391/13-Fact\\_Sheet-Connecting\\_customer\\_owned\\_PV\\_to\\_RAES\\_grid.pdf](https://www.energymining.sa.gov.au/__data/assets/pdf_file/0008/670391/13-Fact_Sheet-Connecting_customer_owned_PV_to_RAES_grid.pdf)



appropriate to monitor the level of those deductions to ensure they are sustainable and appropriate for low-income households.

Further, we recommend the inclusion of a new metric ‘number of mandatory prepay customer complaints’. This metric included in prepay reporting requirements under the WA Code.

### Submissions on Guideline 5

The Commission seeks feedback on performance reporting requirements in Guideline 5, which applies to licensees in off-grid networks in South Australia. Guideline 5 commenced on 1 July 2022 following the Commission’s Inquiry into regulatory arrangements for small-scale and off-grid water, sewerage and energy services (**2021 Inquiry**), when the verified trust and accountability (**VTA**) regulatory approach to small-scale networks was adopted <sup>10</sup>. This is the first review of Guideline 5.

Generally, our submission is that there should be consistency between on- and off-grid performance reporting requirements across key customer wellbeing indicators such as disconnection, payment difficulty indicators, hardship program indicators, complaints, prepayment meters and distribution service standards, with the AER (Retail Law Performance Reporting Procedures and Guidelines (as amended from time to time)) operating as a benchmark. One aim of performance reporting in South Australia’s off-grid networks should be to monitor and achieve service standards and protections for off-grid customers that are equivalent to those enjoyed by on-grid customers. Harmonised performance reporting is an important part of this because, as SACOSS has observed, “customers in remote communities are generally accustomed to consistently receiving lower levels of service at a greater cost (when compared with on-grid customers) and in the absence of an education campaign and assistance from community workers and financial counsellors, these customers are unlikely to complain to EWOSA” <sup>11</sup>. Our national review of disconnection reporting requirements reveals significant disparities between reporting for on-grid and off-grid network locations in South Australia; these must be corrected to ensure customer interests are adequately protected.

### Reporting amendments

Addressing specific matters raised in the review, we support the addition of the reporting requirements to apply to all electricity retailers for the following indicators:

1. Number of customers disconnected for failure to pay a bill (i.e., disconnections for post-pay households)

Our national review of public reporting requirements for numbers of disconnections for non-payment (i.e., for post-paying customers) shows that off-grid South Australia

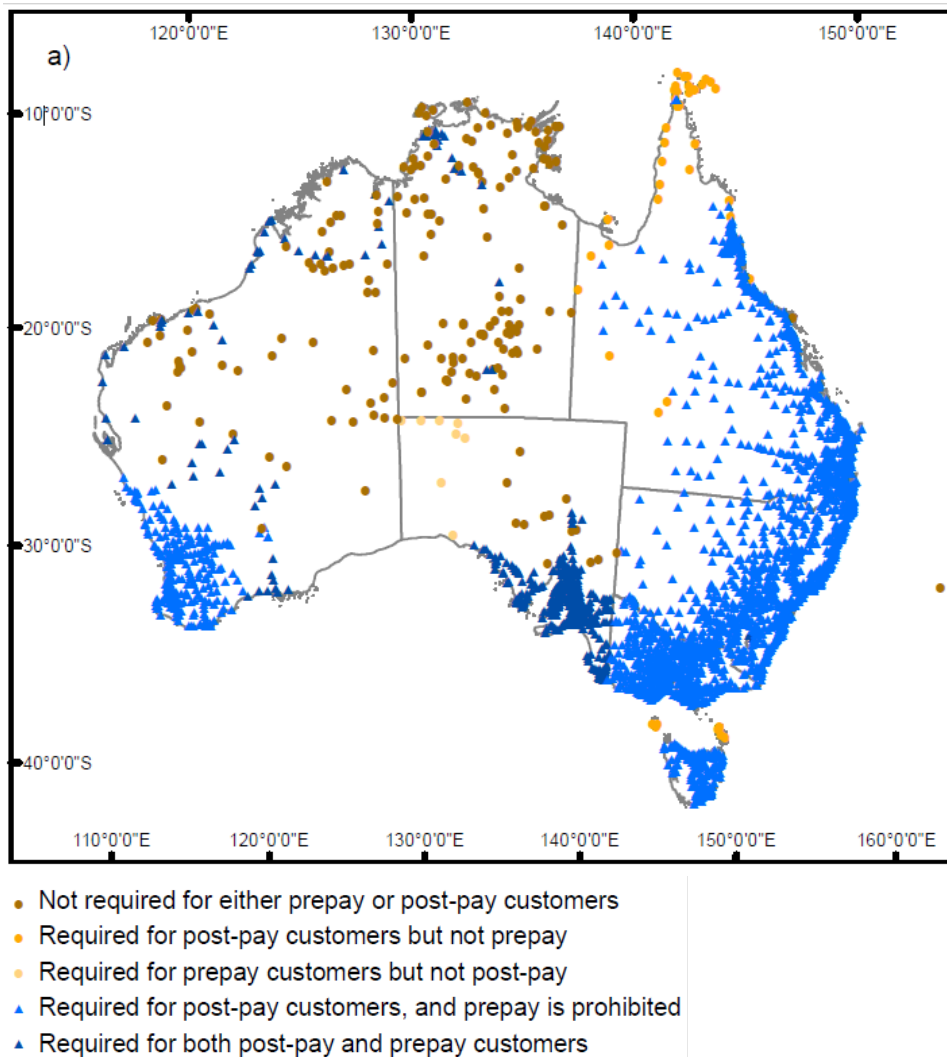
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<sup>10</sup> See: <https://www.escosa.sa.gov.au/projects-and-publications/projects/inquiries/inquiry-into-regulatory-arrangements-for-small-scale-water-sewerage-and-energy-services/inquiry-into-regulatory-arrangements-for-small-scale-and-off-grid-water-gas-and-electricity-services>

<sup>11</sup> See: <https://www.escosa.sa.gov.au/ArticleDocuments/21574/20201123-I-Small-scaleNetworkInquiry-DraftReport-Submission-SACOSS.pdf.aspx?Embed=Y>

is the only regulatory context in Australia where disconnection reporting is *not* required (see Figure 1; reference <https://doi.org/10.1038/s41560-023-01422-5>). The current situation represents an anomaly and undermines the interests of off-grid electricity customers relative to grid-connected customers. This should be corrected as a priority action under the review.

Figure 1: Disconnection reporting requirements across Australia, mapping 3,047 settlements. Figure from White, L.V., Riley, B., Wilson, S. *et al.* Geographies of regulatory disparity underlying Australia’s energy transition. *Nat Energy* (2024). <https://doi.org/10.1038/s41560-023-01422-5>



Our view is that the inclusion of disconnection reporting for all retail customers should be adopted as an important *correction* to Guideline 5. Public reporting on disconnections serves as a fundamental indicator of customer wellbeing and retailer performance across on-grid and off-grid retail reporting frameworks in Australia and was included in the Commission’s performance reporting requirements prior to 1 July 2022. In its Off-Grid Energy Networks Regulatory Performance Report 2020-21, the Commission characterised disconnection reporting as being among the key metrics it relies upon to “monitor the performance of off-grid licensees over time” and “evaluate whether the consumer protections the Commission imposes as licence conditions

sufficiently protect customers”. Despite this, disconnection reporting was not included in Guideline 5 when it was issued following the 2021 Inquiry.

## 2. Number and average duration of supply interruptions

In capturing disconnections, it is necessary to also record the number and duration of supply interruptions. This provides important information on the likely impacts to consumer wellbeing, such as inability to keep refrigerated food and medicine at a safe temperature and provides an important collateral variable in relation to overall disconnection numbers. We note that the GSL scheme contained within the Commission’s Electricity Distribution Code does not apply to off-grid customers in SA (again see <https://doi.org/10.1038/s41560-023-01422-5>). Reporting on number and duration of supply interruptions can provide critical information on retail consumer experiences that is not fully captured under present regulation.

## 3. Average amount of bill debt for customers participating in a financial hardship program

This provides important additional benchmarking information for the existing indicator which applies to all retail licensees i.e., ‘Total number of residential customers on flexible payment arrangements as at 30 June’. However, we recommend further refinements (see below) on the basis that there is currently no defined ‘financial hardship program’ in the Small-scale Electricity Networks Code.

Our view is that reporting should cover customers on flexible payment arrangements and, separately, those customers identified as being in financial hardship. We recommend this given that flexible payment arrangements can differ from hardship.

We also recommend quarterly reporting of all metrics relating to financial hardship and payment difficulties.

Our proposed metrics include:

- Total number of residential customers on flexible payment arrangements, for the relevant quarter;
- Total number of residential customers identified as being in financial hardship, for the relevant quarter;
- Average amount of bill debt for customers on flexible payment arrangements, for the relevant quarter;
- Average amount of bill debt for customers identified as being in financial hardship, for the relevant quarter.

### Voluntary prepayment reporting

We support the Commission’s inclusion of six indicators for voluntary prepayment customers as committed to in the Final Decision on the Small-scale energy networks consumer

protection framework review <sup>12</sup>. As stated by the Commission, the purpose of reporting of these indicators is to “improve transparency around the use of prepayment metering in South Australia”. We also encourage the Commission to broaden the reporting requirements for voluntary prepayment customers to include:

- number of prepay customer complaints;
- number of prepay customers to have used a payment splitting arrangement;
- number of prepay customers to have requested reversion to standard metering;
- number of prepay customers reverted to standard metering;
- number of prepay customers reverted to standard metering due to payment difficulties (pursuant to clause 2.15 of the Prepayment Meter System Code, **PMSC**);
- number of times emergency and friendly credit was used;
- consumption data for those communities/townships where voluntary prepay is approved for use; and
- number of prepay customers that receive an energy concession – to be provided by the relevant government department.

The addition of these indicators better align with the PMSC framework as well as reporting for mandatory prepay customers. We recommend quarterly public reporting of all metrics relating to voluntary prepay customers, consistent with reporting requirements for mandatory prepay customers. Quarterly public reporting provides the active monitoring necessary to enable remedial policy responses in the context of voluntary prepay being implemented for the first time in off-grid scenarios.

Adequate reporting of voluntary prepay customer wellbeing indicators is crucial in view of the known and anticipated applications to offer prepay, including the application already made by the District Council of Coober Pedy (**DCCP**). We observe that DCCP has reported its intention to first offer prepay to identified hardship customers who cannot be disconnected for non-payment of bills <sup>13</sup>. It should be noted that DCCP currently has “46 accounts with an outstanding balance of \$349k who are experiencing hardship” i.e., 46 households each with an average electricity debt of approximately \$7,600 <sup>14</sup>. This level of billing debt is indicative of significant household energy burdens requiring a systemic response. Underlying conditions should be considered, including prevailing climate, the energy efficiency of homes and the availability of support services for affected households. It can be anticipated that placing these customers on prepay would create a high risk of so-called self-disconnection, and with it the associated risk of negative health and wellbeing impacts <sup>15</sup>. Customers in this position should not be targeted for adoption of prepay, whereby the risk of billing debt is swapped out for the privatised risk of frequent disconnection from essential electricity

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<sup>12</sup> See: <https://www.escosa.sa.gov.au/ArticleDocuments/21958/20230621-Energy-Small-scaleNetworks-ConsumerProtectionFrameworkReview-FinalDecision.pdf.aspx?Embed=Y>

<sup>13</sup> See p. 8: [https://www.cooberpedy.sa.gov.au/\\_\\_data/assets/pdf\\_file/0033/1483935/26-July-2023-Minutes.pdf](https://www.cooberpedy.sa.gov.au/__data/assets/pdf_file/0033/1483935/26-July-2023-Minutes.pdf)

<sup>14</sup> See pp. 42-43: [https://www.cooberpedy.sa.gov.au/\\_\\_data/assets/pdf\\_file/0027/1531593/Agenda-24-January-2024.pdf](https://www.cooberpedy.sa.gov.au/__data/assets/pdf_file/0027/1531593/Agenda-24-January-2024.pdf)

<sup>15</sup> Longden, T., Quilty, S., Riley, B., White, L., Klerck, M., Davis, V. N., & Jupurrurla, N. F. (2021). Energy insecurity during temperature extremes in remote Australia. *Nature Energy*, 7, 43-54. <https://doi.org/10.1038/s41560-021-00942-2>

services. This is particularly so in remote locations such as Coober Pedy, where temperature extremes are common and where households may rely on cooling for thermal safety and comfort. Prior research demonstrates the risk of self-disconnection increases with both hot and cold temperatures <sup>16</sup>.

#### Other matters

The Commission seeks feedback on the following changes to Guideline 5:

- 1) A change to the timeframe for all retailers to provide information in relation to any material service issues from 'as soon as reasonably practicable' to within 3 business days

This requirement relates to retailer self-reporting of an "occurrence that has a substantial impact on a licensee's ability to deliver its service to its customers (e.g. a major unplanned interruption, or a matter that causes frequent planned or unplanned interruptions to its service)". It appears reasonable that material service issues should be reported *at least* within 3 business days. We suggest the requirement could be further refined to state "as soon as practicable and in any event at least within 3 business days".

- 2) The removal of the following reporting metric for all retailers – 'number of customers receiving a concession'

This is a key metric in the NECF reporting framework. Our view is that if retailers cannot provide this information in the case of small-scale networks, the onus of providing the information to the Commission should shift to be taken up by relevant government agencies or departments as an indicator of vulnerability of customers in the off-grid networks.

Thank you for the opportunity to make a submission in response to this review. We welcome the opportunity to discuss any aspects of our submission, or the research from which it draws at your convenience.

**PLEASE REDACT BELOW THIS LINE PRIOR TO PUBLIC RELEASE OF THIS SUBMISSION**

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<sup>16</sup> Longden, T., Quilty, S., Riley, B., White, L., Klerck, M., Davis, V. N., & Jupurrurla, N. F. (2021). Energy insecurity during temperature extremes in remote Australia. *Nature Energy*, 7, 43-54. <https://doi.org/10.1038/s41560-021-00942-2>