



**public interest**  
ADVOCACY CENTRE

## **PIAC submission to the AEMC Strengthening protections for customers in Hardship Consultation Paper**

**28 June 2018**

## About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in Sydney.

Established in 1982, PIAC tackles barriers to justice and fairness experienced by people who are vulnerable or facing disadvantage. We ensure basic rights are enjoyed across the community through legal assistance and strategic litigation, public policy development, communication and training.

## Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program (EWCAP) represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. The program develops policy and advocates in the NSW energy and water markets. PIAC receives input from a community-based reference group whose members include:

- NSW Council of Social Service;
- Combined Pensioners and Superannuants Association of NSW;
- Ethnic Communities Council NSW;
- Salvation Army;
- Physical Disability Council NSW;
- Anglicare;
- Good Shepherd Microfinance;
- Financial Rights Legal Centre;
- Affiliated Residential Park Residents Association NSW;
- Tenants Union;
- The Sydney Alliance; and
- Mission Australia.

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## **Strengthening protections for customers requiring payment support assistance**

PIAC welcomes the opportunity to respond to the consultation paper for the AEMC's Strengthening protections for customers in hardship rule change<sup>1</sup>.

Consumers experience a range of difficulties, both financial and otherwise, which can lead them to struggle to pay their energy bills on time, and accumulate arrears and energy related debt as a result. Accordingly, the NERR (National Energy Retail Rules) and NERL (National Energy Retail Law) include provisions protecting consumers, requiring retailers to provide them with a range of supports and assistance to facilitate their continued access to energy during a period of payment difficulty. PIAC considers this a fundamental contributor to the NEO (National Energy Objective) and NERO (National Energy Retail Objective).

### **Unnecessary distinction between payment difficulty and payment difficulty due to hardship**

Importantly, the current structure differentiates between consumers experiencing payment difficulty and those experiencing payment difficulty due to hardship, without making any clear and consistent definition of how the term hardship should apply. PIAC considers both the differentiation between hardship and non-hardship consumers, and the lack of objective definition of hardship as a practical principle, to be fundamental flaws in the current implementation of supports and protections for consumers in payment difficulty.

Indicators of consistently high levels of customer arrears, debt accumulation and disconnection due to debt, are evidence that the current application of retail hardship policies is fundamentally failing to achieve the purposes as stated in the NERL<sup>2</sup>, to assist customers experiencing payment difficulty due to hardship to better manage their energy bills on an ongoing basis.

In their rule change proposal, the AER has highlighted this failure and related it to issues with the consistency of retail hardship policies, issues with the specificity of retail hardship policies, issues with the practical application of retailers' hardship policies, and issues with monitoring the performance of retailers' hardship policies.

PIAC agrees with the AERs characterisation of retail hardship policy failure, and supports the proposed rule change, and the intent to address the identified issues and ensure stronger, more effective, and more consistently applied assistance measures for consumers experiencing payment difficulty. However, we consider that the proposal does not address a crucial structural issue with the use of the term 'hardship' and the impact it has upon the practical application of consumers entitlements to support when they experience payment difficulty. Any change that does not address this fundamental flaw, is unlikely to have the intended benefits for consumers.

### **One size does not fit all for providing support**

Consumers can experience payment difficulty for many reasons, with circumstances that do not conform to a definable notion of 'hardship'. Preliminary results from PIAC's most recent research on residential disconnections<sup>3</sup> shows a range of overlapping issues that impact upon consumers

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<sup>1</sup> AEMC, [National Energy Retail Amendment \(Strengthening protections for customers in hardship\) Rule 2018 – Consultation Paper](#), April 2018.

<sup>2</sup> National Energy Retail Law: Act 2011, Division 6 – 43 (1). pg.54

<sup>3</sup> PIAC, Disconnections report, to be released July 2018.

ability to pay their bills at any particularly point in time. The research also shows that most of those who were threatened with disconnection, even when in direct contact with their retailer, were not offered hardship program support.

The current structure of support for people experiencing payment difficulty requires consumers to understand their entitlement to support, identify themselves as 'being in hardship' and convince retail staff (both credit staff and then hardship and assistance staff) that their circumstances qualify them. This fundamentally disadvantages consumers, particularly those who are more likely to be in need of support, such as people who speak a language other than English at home, people with a mental or cognitive disability, and people with limited literacy among others. PIAC considers this situation to be deeply inappropriate and a fundamental flaw in the effective application of consumer protections.

The Victorian Essential Services Commission has recently completed an exhaustive process of consultation and engagement with industry and community stakeholders in drafting its updated 'Payment Difficulty Framework' (PDF), which will be implemented by energy retailers from 1 January 2019. This framework removes subjective distinctions between hardship and 'non - hardship' customers, and sets out minimum entitlements to support for all consumers in payment difficulty, specifically to address the issues that we have outlined. PIAC sees significant value in this approach and recommends amending the rule change proposal (and the resulting binding guidelines) such that they can be practically applied consistently with the new Victorian PDF. PIAC notes that most retailers operate in Victoria and the major jurisdictions of the National Energy Market (NEM), and consistency with the PDF would result in significant savings through greater administrative simplicity.

## **Contribution to the NERO and AEMC assessment framework**

PIAC considers that the proposed rule is likely to promote the NERO. Primarily, it will contribute to the long-term interests of consumers by helping consumers retain access to essential energy services through periods of financial difficulty. This is particularly relevant as consistently high prices mean there are an increasing number of consumers struggling with the cost of energy, including middle and higher income households that may not have traditionally accessed government and energy retailer support services<sup>4</sup>.

PIAC considers that the proposed rule change will also promote the NERO by requiring more consistent and efficient mechanisms for retailers to minimise the accumulation of payment arrears and debt, reducing the related costs borne by all retail customers.

Specifically, in relation to the assessment criteria identified in the consultation paper:

### **Improved hardship protections**

Protections that provide assistance to customers experiencing financial difficulty are an important mechanism addressing the accumulation of energy related debt. PIAC agrees it is appropriate to consider the value of improved protections in reducing the accumulation of debt. However, it is crucial that rules governing hardship protections primarily be considered against their fundamental purpose, as stated in 43(1) of the NERL.

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<sup>4</sup> Choice, *Consumer Pulse: Australians' Attitudes to Cost of Living 2015-2016*, 2016. Pg.8

### **Recommendation 1**

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*PIAC recommends that weight be given not just to the avoidance of disconnection and the management of debt, but to the effectiveness in assisting customers to better manage their energy bills on an ongoing basis*<sup>5</sup>.

## **Transparency**

Consumer research and feedback from providers of support services to consumers experiencing financial difficulty, consistently finds low levels of consumer understanding of the existence and nature of available supports and how to access them. Accordingly, PIAC considers improved transparency as a key criterion for assessing the value of the proposal.

However, PIAC also wishes to highlight significant issues with the structural differentiation between ‘consumers experiencing payment difficulty’ and ‘consumers experiencing payment difficulty due to hardship’. ‘Hardship’ remains an undefined term, which is a serious structural flaw in the guidelines and policies which are intended to respond to it. Additionally, hardship is a subjective and sometimes pejorative term that few consumers would use as a self-identification.

As this rule change proposal focuses on ensuring consistent and effective application of retail support policies, PIAC considers the terminology framing those intended to be assisted by that support, to be crucial. When access to retailer support programs relies either upon self-advocacy by the consumer, or a subjective assessment by call-centre staff, regardless of their level of training, the use of ‘hardship’, is likely to be a significant impediment.

### **Recommendation 2**

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*PIAC recommends that transparency as an assessment criterion be amended to include consideration of the use, definition, understanding and implications of the term hardship and its application as a principle informing consumer support policies.*

## **Regulatory and administrative burden**

Consideration of the overall administrative and regulatory ‘cost burden’ for retailers is good practice. However, as the proposal intends to achieve more consistent application and enforcement of current obligations under the NERL, it is unlikely this criterion will be a deciding factor. We also note that a significant benefit to closer alignment with the Victorian PDF would reduce the administrative complexity and burden for retailers, through greater regulatory consistency.

## **Long-term benefits to consumers**

PIAC supports a qualitative assessment of the overall, long-term benefit to consumers that may accrue as a result of the proposed change. It is important to consider the overall ‘balance’ of costs, and their impact upon the long-term interests of consumers, not merely the quantum of those costs. For example, administrative costs incurred in the early identification of consumers experiencing financial difficulty, and providing assistance to avoid the accumulation of arrears and debt, are qualitatively preferable to costs incurred in the management and recovery of debt, and should be considered in the long-term interests of consumers, even if equivalent in quantum.

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<sup>5</sup> National Energy Retail Law: Act 2011, Division 6 – 43 (1). pg.54

### **Recommendation 3**

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*PIAC recommends that potential costs involved in the early identification and assistance of customers experiencing payment difficulty, be regarded as being in the long-term interest of consumers, and as qualitatively preferable to costs related to debt management.*

## **Responses to consultation questions**

### **1. Rationale for rule change – adequacy of the current approach to hardship.**

#### **(a) To what extent do you consider that the current approach to the application of the hardship policies provides adequate protections to consumers in financial difficulty?**

As identified by the AER in this rule change proposal, there are significant issues with the current application and effectiveness of retail hardship policies. While retailers are currently required to publish and make available policies setting out their approach to supporting customers in difficulty, many of these policies are principles-based, general, and the AER has identified significant issues with determining how the policies are being applied in practice. PIAC supports the AER conclusion that these issues, along with general inconsistencies in the strength and application of retailer policies, mean that many consumers experiencing financial difficulties are not getting the support that is intended.

PIAC considers that the current approach is not merely a failure of consistency of application and enforcement, but one stemming from fundamental structural flaws in the use and application of the term 'hardship'.

Specifically, PIAC highlights the following:

- Entitlement to protections and assistance for consumers in financial or payment difficulty is currently determined by whether a consumer is 'experiencing payment difficulty' or 'experiencing payment difficulty due to hardship'. However, there is no established, consistent definition or criteria of 'hardship', or how that definition should be applied to consumers facing payment difficulty.
- There are myriad reasons why any consumer may experience difficulty making energy payments. Many consumers experience multiple sources of difficulty (such as unemployment, mental illness, domestic violence, disability, family breakdown, unforeseen expenses, medical issues, etc) many of which they may be unable or reluctant to share with their retailer, either out of legitimate concern for privacy or due to personal shame or embarrassment. Retail staff should not be obliged to raise or attempt to assess these issues (and are not qualified to do so), and consumers should not be obliged to discuss them, in order to qualify as 'in hardship'. The current approach does not provide effective protection and support to many consumers experiencing payment difficulty.

#### **(b) Are general obligations that are more difficult to enforce leading to inadequate consumer protections?**

PIAC supports the AER perspective that general obligations for support of customers experiencing financial difficulty, are more difficult to monitor and enforce. While we support the

AER in their assessment that this is a significant contributor to the inadequacy of protection for consumers, PIAC also considers there to be fundamental issues with the undefined use of the term 'hardship' as a basis for conferring entitlements to protections and supports for consumers. The lack of a definition for hardship undermines clarity or consistency in the intent of hardship policies, who hardship policies apply to, what outcomes they are seeking to achieve, and how to monitor and enforce their effectiveness. Accordingly, PIAC considers that measures to improve consistency and clarity in the development and application of hardship policies will be incomplete without measures to address the clarity and objectivity of the term hardship and its application.

## **2. Hardship indicators**

### **(a) Do the current indicators appropriately reflect the success or failure of hardship policies in protecting consumers who are facing financial difficulty?**

PIAC considers the current indicators are evidence of the failure of hardship policies to provide protections for consumers facing financial difficulty.

The purpose of retail hardship policies, as defined in 43(1) of the NERL, is to identify customers experiencing financial difficulty and assist them with the ongoing management of their bills. PIAC considers disconnection due to debt to be the simplest and most stark indication of the failure of retail hardship policies to fulfil their purpose.

As highlighted by the AER, electricity disconnections across the eastern states have increased to 64,926 in 2016/17. More tellingly, 36% of disconnected customers had been on a payment plan in the previous 12 months. This figure represents a two-fold failure, showing not just that 36% of disconnected customers received assistance that failed to help them manage their bills sufficiently, but that 64% of disconnected customers had not received payment assistance in the 12 months prior to being disconnected.

Evidence from PIACs own research on customers who have been disconnected or threatened with disconnection<sup>6</sup> mirrors this, showing that even many of those under immediate threat of disconnection are not being offered hardship support measures, and are often being disconnected as a result.

### **(b) Should the hardship program indicators reside in the binding Hardship Guidelines as proposed or remain as separate to the Guidelines as a stand-alone requirement in the NERR?**

PIAC supports including the hardship program indicators within the binding guidelines applied to energy retailers. Including program indicators in the binding guidelines, and providing mechanisms for the AER to alter these guidelines as required, could provide greater scope for indicators to be adapted more efficiently, and enforced more effectively, without the need for further rule changes. However, should it be deemed practical for the overall monitoring of retail performance, PIAC would support retaining hardship program indications as a standalone requirement in NERR or in addition to any binding guidelines resulting from this proposal.

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<sup>6</sup> PIAC, Disconnections report, to be released July 2018.



### 3. Proposed approach

**(a) Are you of the view that Hardship Guidelines that include standard statements adequately protect the long-term interest of consumers in financial difficulty, while providing retailers with flexibility in how they apply hardship provisions?**

PIAC agrees that including clearly defined standard statements within the Hardship Guidelines could help to improve the consistency of the structure and application of retailer payment supports for customers experiencing payment difficulty, regardless of who their retailer is.

However, PIAC considers the nature of these statements to be crucial. The AER has identified the general, principles-based nature of many retail hardship policies as a contributor to inconsistency of consumer outcomes, and a barrier to effective monitoring. In PIAC's view, to be effective, the Hardship Guidelines (and any standard statements included in them) must focus on consumers' entitlement to support, and on the intended outcomes for consumers experiencing payment difficulty, rather than expressions of standard principles. Further, it is important that entitlement to support recognises the spectrum of difficulties experienced by consumers, and is provided simply and according to the most inclusive and objective criteria.

Accordingly, PIAC supports the new Victorian Essential Services Commission Payment Difficulty Framework being used by the AER in drafting its own guidelines - in particular the Victorian Framework's requirement to provide consumers with defined minimum assistance measures when in payment difficulty. PIAC considers the Victorian Framework and a structure based upon simple minimum entitlements, provides the basis for a structure that more effectively protects consumers in financial difficulty, while leaving significant scope for retail innovation and flexibility in how those defined consumer outcomes are achieved.

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#### **Recommendation 4**

*PIAC recommends that any binding Hardship Guidelines be consistent with the structure and principles of the Victorian Essential Services Commission Payment Difficulty Framework, and focus on consumer outcomes based upon their entitlements to minimum supports and protections.*

**(b) Is there another approach that would better meet the requirements under the NERL in relation to customers in hardship, and allow retailers to meet their obligations more efficiently?**

While PIAC is supportive of the proposed approach to apply and enforce strengthened guidelines for the provision of support to consumers experiencing financial difficulty, PIAC considers that it would benefit from greater clarity. In particular, clearer definition is required of consumers' rights to access essential energy services, and entitlement to a range of minimum supports and assistance measures when they are experiencing financial difficulty.

PIAC points to the recently completed consultation process creating the Victorian Essential Service Commission (ESC) 'Payment difficulty Framework'<sup>7</sup> as an invaluable precedent, and opportunity to achieve consistency in the application of more effective supports for consumers experiencing payment difficulty. While PIAC does not support the totality of the revised ESC payment difficulties framework, the fundamental principles informing the structure of the

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<sup>7</sup> Essential Services Commission, Victoria 'Payment Difficulty Framework', October 2017.

framework should be incorporated into the approach proposed by the AER, as a means of augmenting it.

In particular, PIAC considers the following structures and principles informing the Victorian PDF are worth further consideration as part of this rule change process:

- Effectively removing the distinction between consumers experiencing payment difficulty, and consumers experiencing payment difficulty due to hardship, allowing for consumer protection and assistance to be provided on a spectrum according to individual consumer circumstances, informed by minimum entitlements.
- Establishing an 'entitlement' for any consumer anticipating or experiencing payment difficulty, to access two broad types of assistance measures (standard assistance measures, and tailored assistance measures) according to a key indicator of their circumstances (for example, a minimum level of accumulated debt or arrears);
- Defining a minimum range of 'standard assistance measures' that must be made available to all customers, regardless of whether they are in debt or arrears. PIAC recommends that these be defined to remove the delineation between consumer protections for 'consumers experiencing financial difficulty' and 'consumers experiencing financial difficulty due to hardship'; and
- Defining a minimum range of 'tailored assistance' measures that consumers are entitled to access when they are in arrears or debt (with the minimum amount of arrears or debt that qualified them being defined). PIAC recommends that these be defined in such a way as to effectively remove the delineation between consumer protections for 'consumers experiencing financial difficulty' and 'consumers experiencing financial difficulty due to hardship.'

#### **4. Enforceability of Hardship Guidelines**

**The AER proposed that all the Hardship Guidelines be enforceable. Do you agree that all aspects of the guidelines should be enforceable?**

PIAC supports enforceability of all elements of the Hardship Guidelines to help ensure that retailers apply the guidelines consistently and that all consumers experiencing financial difficulty have equal recourse to support and protection informed by those guidelines.

#### **5. Implementation**

**(a) What transitional arrangements should be put in place to require that retailers amend their current policies to comply with the Hardship Guidelines, if this rule were made?**

The implementation of new guidelines should be made a priority. Energy retailers are currently in a process of transition relating to the implementation of the new Victorian PDF, which they will be required to comply with by 1 January, 2019. Implementation informed by this start date could minimise disruption and potential related retail costs, particularly if the proposal is amended to achieve consistency with the new Victorian framework.

## **Recommendation 5**

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*PIAC recommends that implementation be prioritised, and informed by the implementation of the Victorian Payment Difficulty Framework on 1 January, 2019.*

### **(b) What aspects of the rule, if made, should be a civil penalty provision?**

PIAC supports all enforceable aspects of the rule being civil penalty provisions.

## **6. Costs and benefits**

### **(a) Please comment on the benefits and costs that have been identified, in terms of their adequacy in assessing the rule change proposal and any quantification of those factors.**

PIAC broadly agrees with the characterisation of the benefits of the proposal. We submit, however, that many of these benefits are likely to be more fully and completely realised if the rule change is amended to more objectively define hardship, remove the delineation between consumers experiencing hardship and payment difficulty, and achieve greater alignment with the structure and principle of the Victorian PDF, specifically:

- **Promotion of consistency**

All consumers experiencing payment difficulty are entitled to equal access to protection and support as set out in the NERL and NERR. PIAC agrees that consistency of consumer support and protection entitlements across all retail policies would be significantly improved by the implementation of enforceable guidelines for retail hardship policies. However, in assessing the proposal, PIAC considers that the intended benefits are likely to be more fully realised if implementation also achieves consistency with the structure and principles of the Victorian PDF.

- **Improve clarity**

Clarity of requirements, entitlements and objectives for consumer outcomes is critical to the effectiveness of retail support policies. PIAC agrees that enforceable guidelines would improve clarity for retailers regarding how minimum standards should be applied and what outcomes are intended. However, without addressing issues stemming from the undefined nature of hardship, the degree of benefit is likely to be limited. As noted, PIAC considers an approach consistent with that taken in the Victorian PDF would more clearly define consumer entitlements, and provide more effective direction for retailers regarding who support measures are intended for, how to apply them, and what consumer outcomes are intended.

- **Guidance for hardship customers**

Where access to support measures relies, in part, upon consumers' understanding of the supports available, their entitlement to them, and how to access them, consumer awareness and understanding of retail hardship policies is an important determinant of their effectiveness. Accordingly, PIAC agrees that enforceable guidelines regarding the form, content, intent and outcomes of retail hardship policies, will have benefits for consumers. However, PIAC notes fundamental issues with consumers self-identifying with the concept of 'hardship', and its lack of clear objective definition. PIAC considers that the full benefits in improved consumer guidance are unlikely to be realised without addressing issues with the concept of 'hardship'.

- **Improved outcomes**

While PIAC agrees that enforceable guidelines and greater clarity will help to improve outcomes for consumers, we are concerned that without amendments addressing the structural issues stemming from the undefined use of the term ‘hardship’ to confer consumer entitlement to protection, the full benefits will not be realised.

- **Improved monitoring and enforcement**

PIAC agrees that more clearly defined, enforceable obligations would improve the effectiveness of monitoring and enforcement by the AER. However, PIAC considers that the degree of improvement in this criterion will be heavily dependent upon the nature of the obligations, with most benefit flowing from clear, outcome-based obligations that link directly to minimum requirements under the NERL.

**(b) Will improving hardship policies through the Hardship Guidelines result in a cost saving to consumers as a result of a reduction in bad debt?**

Fundamentally, PIAC considers payment support measures for consumers facing financial difficulty to be a crucial measure to minimising the accumulation of arrears and energy related debt. With evidence showing that the higher the level of energy debt accumulated, the less likely it is to be repaid, investment in measures to minimise the accumulation of debt are fundamental to addressing the amount of debt carried by retailers, and debt written off or written down by retailers, due to consumers inability to pay. Accordingly, PIAC considers that more effective measures to avoid arrears and accumulated debt will likely result in overall cost savings to consumers.

However, due to a lack of current public data on retail costs related to debt management, PIAC is unable to accurately quantify the likely cost-savings attributable to a reduction in bad debts. Therefore, PIAC recommends that as part of this process, the AEMC consider requiring retailers to report on accumulated bad debts (divided into total arrears, debt written down, debt written off and debt sold to collection) to facilitate ongoing monitoring and assessment.

However, it is also important to consider the qualitative ‘balance’ of retail costs in assessment of the long-term consumer benefit of improved payment support measures. PIAC considers costs incurred in the early support of consumers in payment difficulty to be qualitatively preferable to those incurred in the management of debt and bad debt, particularly when assessed against the purpose of consumer protections as defined in the NERL. Accordingly, even if improved policies supporting consumers experiencing financial difficulty do not result in a significant overall cost saving for consumers, we view this process as valuable in shifting the balance of retail costs for the overall benefit of consumers, particularly those consumers facing financial difficulty.

***Recommendation 6***

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*PIAC recommends that the AEMC consider requiring retailers to report on key data related to debt management, to facilitate ongoing monitoring and assessment.*

## 7. Form of rule

### **Are there any amendments that could be made to the proposed rule to better achieve the intent of the rule change request?**

PIAC considers the label 'hardship' is problematic and undermines the effective application of supports for consumers experiencing financial difficulty.

Evidence suggests that even when they are in significant financial difficulty, consumers are unlikely to self-identify as being 'in hardship', regarding this status as a source of shame or embarrassment.

Further, without clear definition of what constitutes 'hardship', the subjectivity of the term potentially results in retail staff applying it more narrowly and more inconsistently than consumer support protection measures intend. PIAC considers it is inappropriate and ineffective for consumers to be required to demonstrate their eligibility for 'hardship' support, when the criteria for hardship are undefined, subjective and likely to require the disclosure of private, personal or embarrassing information.

Where the current rules and law make a distinction between 'consumers experiencing financial difficulty' and 'consumers experiencing financial difficulty due to hardship', PIAC considers that issues with the concept of 'hardship' are a fundamental flaw. Accordingly, any new rule that continues to rely upon consumer self-identification with 'hardship', and subjective assessment of hardship by retailers, to determine the level of supports and protections available to consumers in financial difficulty, will not have the intended benefit for consumers facing difficulty paying their bills. PIAC recommends that the proposal be amended such that:

- The amended *rule 75* define the term hardship such that it applies to '*all consumers facing payment difficulty*'. The intent of this amendment is to achieve continuity of supports for customers in payment difficulty, recognising that any consumer facing payment difficulty could be regarded as being in a form of hardship, and removing existing barriers to early and effective assistance.
- the explicit and implicit distinction between 'customers experiencing difficulty' and 'customers experiencing difficulty due to hardship' is removed in the binding guidelines, such that all consumers are conferred an equal entitlement to a spectrum of minimum payment assistance measures defined in the guidelines, according to their circumstances. PIAC recommends the Victorian Essential Service Commission PDF be used as a guide for how this may be applied through the AERs binding guidelines.

### ***Recommendation 7***

*PIAC recommends that the proposed changes to rule 75 be amended to define the term hardship, such that it applies to all consumers facing payment difficulty, facilitating the implementation of guidelines consistent with the Victorian PDF, that provide an entitlement to minimum protections and assistance to all consumers according to their individual circumstances.*

## 8. Other Issues

**Please identify broader issues with regards to hardship and affordability that may not be addressed by this rule change, if made.**

Affordability is overwhelmingly the highest priority for all consumers. We know that sustained high energy prices, in conjunction with extreme housing unaffordability, is pushing more consumers into vulnerable circumstances and that even middle and higher income households are struggling. Further, rapid changes to the structure of the grid, available technology and services, and opportunities for independent consumer benefit, are altering the way that costs are incurred and recovered. This is a reality that was largely unanticipated at the time the NERL was drafted. While this current rule change proposal is a crucial step in improving vital protections for many consumers, PIAC considers that there is a longer term need for a more fundamental review of the NERL to ensure that it better recognises and protects affordable access to energy as a fundamental consumer right.

### Further engagement

PIAC would welcome the opportunity to provide further supporting information and discuss these issues in more depth. For any queries please contact: Douglas McCloskey, Policy Officer, Energy and water, at [dmcloskey@piac.asn.au](mailto:dmcloskey@piac.asn.au) or on (02) 8898 6534.