

Proposed amendments to customer payment under the RAES Scheme – Response to Stakeholder comments on Issues Paper

Stakeholder	Comment/Query		Response
Question 1 - Are there are other benefits or risks that can be identified based on the payment options presented (Option 1 – Standard vs Option 2 – Prepayment)?			
Community Organisation	<ul style="list-style-type: none"> Concur with Option 2, noting payment methods should allow automatic direct debit from welfare payments. 		Will be range of payment methods including direct debit, BPay and Centrepay (direct from customer’s Centrelink payment).
Ombudsman	<ul style="list-style-type: none"> Concerned prepayment being mandated rather than voluntary, and customers may remain disconnected for extended periods. 		Risk of self-disconnection is key risk DEM is aware of and is main focus of customer protection regime being developed.
Community Organisation	<ul style="list-style-type: none"> Unacceptable that proposal does not include a default alternative, only singular option of pre-payment. 		Options are post-pay vs pre-pay. With measured protections, pre-payment considered most suited.
Financial Counsellor	<ul style="list-style-type: none"> Option 1 is preferred. Acknowledge significant good work in trying to identify appropriate consumer safeguards, consultation and education. 		With measured protections, pre-payment is considered most suited to relevant communities.
University researchers	<ul style="list-style-type: none"> Approach includes many elements of best practice, but risks remain regarding hardship and disconnection. Compliance and enforcement of monitoring should be as strong as outlined. Note obligation to engage with Indigenous peoples as per international law. 		Robust monitoring and response process is key. Once implemented will be subject of review. DEM engaged MoneyMob Talkabout (MMT) to engage communities regarding transition to payment. DEM visited and presented to representative bodies.
Community Aboriginal Corporations	<ul style="list-style-type: none"> General Council consensus for power card. 		Noted.
Consumer Advocacy Organisations	<ul style="list-style-type: none"> Opposed to Option 2. Queries if consistent with National Energy Laws and Rules, Racial Discrimination Act and Implementation Plan for National Agreement on Closing the Gap. Asks that DEM speaks to the community. 		Proposal will not result in reduction of protections under existing frameworks. Legal advice was obtained regarding Racial Discrimination Act concern. Extensive community engagement progressed and continuing to occur.
Question 2 - DEM seeks views on the proposed fit for purpose customer protection measures discussed, as well as any suggestions for further protections.			
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Consumer Advocacy Organisation	Code development	<ul style="list-style-type: none"> ESCOSA should develop Industry Code containing consumer protections for all off-grid customers in SA, with robust monitoring and compliance. 	Noted. ESCOSA is currently reviewing Off-grid Consumer Protections framework.
Consumer Advocacy Organisation	Consumer Protection framework	<ul style="list-style-type: none"> Mandatory prepayment will result in a large number of consumer protections in ESCOSA’s Prepayment Meter Code no longer applying. Consumer protections should be developed by ESCOSA, as part of Industry Code, not contained in contract between retailer and customer. 	A condition of Cowell’s licence is to comply with applicable laws, rules and codes, including Prepayment Code. Cowell is required to submit its standard terms and conditions to ESCOSA for approval. The contract between DEM and Cowell will include obligations regarding monitoring and reporting. ESCOSA is currently reviewing Off-grid Consumer Protections framework.

Community Organisation & Ombudsman	Ombudsman scheme	<ul style="list-style-type: none"> • Important that customers have access to energy dispute resolution. 	Cowell is currently a Scheme Member.
Community Organisation	General	<ul style="list-style-type: none"> • Recognition of new-to-payment customers and prepayment customer protection policy is to be commended. 	Noted.
Community Organisations, Financial Counsellor & Uni researchers	Disconnection	<ul style="list-style-type: none"> • Despite measures, self-disconnections may be high. • Concerns about health impacts of repeated self-disconnections. Provides examples from Northern Territory. • Self-disconnection should be monitored and developed responses agreed before implementation of pricing. 	Suite of customer protection measures proposed to ensure processes for self-disconnection, monitoring and reconnection support. Self-disconnections expected to be lower than other jurisdictions given 10c/kWh tariff. Monitoring and reporting of self-disconnections will be key element of customer protections being developed. Adjustments may be made once arrangements start.
Community Organisations, Ombudsman, Financial Counsellor & University researchers	Life support	<ul style="list-style-type: none"> • While currently no registered life support customers, they are aware of a number. • Strongly rejects that the payment method for life support customers should be matter of retailer discretion. • Regulations must mandate that retailer cannot permit life support customers to prepay. • Government, ESCOSA and the retailer should establish formal register for life support customers and processes to identify and protect customers. • Life support definitions should be in line with AER guidelines. 	Life support equipment definitions are prescribed by ESCOSA. The proposal recognises there may be special circumstances which warrant sale through alternative arrangement e.g. life support. A detailed life support policy is being developed to cover this and how customers are identified and assisted. Surveys with households prior to charging will capture health concerns and register life support customers. Engagement with local services providers, medical practitioners and community will ensure support for those with health conditions. Ongoing engagement will ensure those requiring life support are identified.
Financial Counsellor & Community Organisation	Other health issues	<ul style="list-style-type: none"> • No protections available to those experiencing domestic and family violence. • Residents with health vulnerabilities should be protected from disconnection, without imposing friendly credit. 	Customer protections and access to concessions will be provided for assistance.
Financial Counsellor & Community Organisation	Transitional arrangement	<ul style="list-style-type: none"> • Price of 10c/KWh is sufficient to achieve energy efficiency. • Tariff increases should only occur when self-disconnections below ESCOSA's definition of hardship for two years. 	Noted.
Consumer Advocacy Organisation	Price signal and usage	<ul style="list-style-type: none"> • Is appropriate to introduce charges, however don't consider a price signal is reasonable tool to reduce consumption. • No competitive market means no access to range of offers. 	Current usage levels suggest there is capacity for reduction in wasted consumption. The proposed price signal is much lower than competitive electricity prices.

Community Organisations & Uni researchers	Capacity to pay/price	<ul style="list-style-type: none"> Financial counsellors concerned about capacity to pay. Introductory price of 3-5c/kWh should be initially applied. 	High users to be supported prior to and after charging introduced via door-to-door education. Energy concession to be directly applied to meter plus assistance to access other concessions.
Community Organisation	Metering	<ul style="list-style-type: none"> There is no requirement for a social contract between energy utility and consumer. 	Cowell is required to be licenced under the <i>Electricity Act 1996</i> . This ensures suitable relationship between retailer and consumer.
University researchers	Data access	<ul style="list-style-type: none"> Customers need access to historical energy use and payment details assist with budgeting. 	Smart meters will enable customers to access usage data. Data will be used as part of the door-to-door education program.
Community Organisations & Ombudsman	Friendly credit	<ul style="list-style-type: none"> Friendly credit can result in households have to decide between re-crediting meter or buying food. 	ESCOSA currently reviewing Off-grid Energy Consumer Protections Framework and Code. Friendly credit is within the scope of this review.
University researchers	Emergency credit	<ul style="list-style-type: none"> Communities should be engaged in design of measures to alleviate disconnection including emergency credit amount. 	ESCOSA currently reviewing Off-grid Energy Consumer Protections Framework and Code. Emergency credit is within the scope of this review.
Community Organisation, Financial Counsellor & Uni researchers	Recharging/ Mobile coverage	<ul style="list-style-type: none"> Where no mobile service customers face disadvantage. No store at Kalka and Nyapari requiring customers to travel. Entering 20-digit code manually creates risk. University researchers noted diversity of payment mechanisms and Energy Concession very good outcome. 	Recharging is proposed via multiple options.
Community Organisation	Prepayment Code	<ul style="list-style-type: none"> Pre-payment metering should be deferred until the ESCOSA "off-grid" consumer protection review undertaken. 	There are existing consumer protections that apply, and DEM can add further consumer protections in the Cowell contract.
Community Organisation & Financial Counsellor	Hardship program	<ul style="list-style-type: none"> Recommend Cowell has an appropriate, comprehensive and meaningful hardship strategy developed, approved by ESCOSA, and accessible by Anangu. Anticipate Cowell will need to develop hardship team as part of staffing. 	Customer protections will cover hardship and Cowell will be well trained in executing this prior to commencement of charging. Customer protection policy to be on Cowell website. Stakeholders will be involved in its development. Customers to have access via education program. Resourcing/training to be in Cowell's contract.
Community Organisations & Financial Counsellor	Local support	<ul style="list-style-type: none"> Adequate local services need to be available. Financial counselling and capability team already at capacity with wait list. DEM should continue to fund financial counselling and community support beyond completion of MMT's contract. 	On-ground support to be present in each community by Community Support Person. MMT contracted to support all new to payment customers until 30 June 2023. Additional resourcing to be provided to ensure financial counselling available and ensure minimal self-disconnection. Resourcing/training in Cowell contract.
Consumer Advocacy Organisation & Uni researchers	Monitoring	<ul style="list-style-type: none"> Weekly monitoring and quarterly disconnection reports important, as is transparency of results. Commend proposal to share monitoring data with relevant bodies. 	Noted.
Consumer Advocacy Organisation	Reporting	<ul style="list-style-type: none"> Supports ESCOSA requiring Cowell to provide a weekly report of self-disconnections, and public quarterly reports. Report on number on friendly credit and amount. 	DEM will produce quarterly and annual report and share with relevant bodies. Friendly credit is matter for ESCOSA.

Consumer Advocacy Organisation	Identification of hardship	<ul style="list-style-type: none"> The minimum contact requirements set out in the policy will not result in meaningful support being offered to enable reconnection as quickly as possible. 	Further development of Customer Protection Policy underway including management of self-disconnections and management of life support customers. Policies to be developed with stakeholders.
Community Organisation and University researchers	Engagement and education	<ul style="list-style-type: none"> DEM should be commended on the energy engagement education through Pawa Atunmankunytjaku program and MMT training resources, and services by MMT should extend beyond implementation. Culturally relevant text and non-text based resources commended, however only English version of issues paper. 	Monitoring and support will continue past program end date. Simplified English version was provided along with summary posters of information in English and Pitjantjatjara, plus video and radio ads in language.
Consumer Advocacy Organisation	Concessions	<ul style="list-style-type: none"> Strongly support arrangements made regarding concession and emergency payments. 	Noted.

Question 3 - The department seeks stakeholders' views on the proposed implementation pathway (regulatory).

Consumer Advocacy Organisation	Consultation	<ul style="list-style-type: none"> DEM should further consult on form and content of the draft amendment to the <i>Electricity Act (General) Regulations 2012</i>, should it proceed. 	Noted.
Consumer Advocacy Organisation	Consistency	<ul style="list-style-type: none"> ESCOSA must be satisfied licence conditions not inconsistent with prepayment requirements under National Energy Retail Law and Rules. 	National Energy Retail Law and Rules do not apply to off-grid communities.
Consumer Advocacy Organisation	Extension of arrangements	<ul style="list-style-type: none"> Proposal has potential future implications for all residents provided with power under the RAES State / Independent Communities Scheme. 	Changes only apply to customers identified in Issues Paper.

Other matters raised.

Consumer Organisations & Uni researchers	Solar	<ul style="list-style-type: none"> Should investigate opportunities for integrating community energy solutions that empower communities, including remote community rooftop solar, stand-alone power systems and community owned energy schemes. 	Noted.
Consumer Organisations	Over-crowded housing	<ul style="list-style-type: none"> Without addressing structural issues related to housing, appliances and living conditions an education program is not sufficient to address consumption. 	Noted. DEM not responsible for housing and appliances, however will continue collaboration with other agencies to improve energy efficiency in housing and consider initiatives for appliances.
Consumer Organisation	Meter/Card	<ul style="list-style-type: none"> Prepayment meters should allow any resident of house to credit meter. 	Each house to receive 2 cards. Store to hold spare card. Extra cards held at central power station.
Consumer Organisation	Clarity on problem	<ul style="list-style-type: none"> DEM should publicly confirm the central problem that is to be solved. 	Issues Paper discusses problems DEM is aiming to resolve.

Consumer Organisation	Other options	<ul style="list-style-type: none"> • Suggest supply-side approach such as PV. • A better feedback mechanism for residents to understand their consumption may be information and education. 	A 3MW solar project is underway to help reduce diesel use and cost. A feedback mechanism on consumption is unlikely to have an impact without a price signal.
Consumer Organisation	Timing	<ul style="list-style-type: none"> • Any fundamental change needs to be implemented responsibly with communities and over 5 years. 	Engagement in the community, led by DEM, has been underway since October 2020 on the introduction of electricity tariffs.
University researchers	General	<ul style="list-style-type: none"> • Careful groundwork exceeds standard in other jurisdictions. • However, areas of risk remain, and communities will face challenges as COVID income supplement ends. 	Noted.