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Essential Services Commission of South Australia

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Submission on the Cowell Electric Supply Pty Ltd licence amendment: Proposed prepayment by default consumer protections

MoneyMob Talkabout (MMT) is pleased to respond to the Essential Services Commission of South Australia (ESCOSA) on the *Cowell Electric Supply Pty Ltd licence amendment: Proposed prepayment by default consumer protections Draft Decision*.

MMT is a not-for-profit financial counselling and capability agency, funded by the Department of Social Services (Cth), Services Australia (Cth), The Department of Human Services (SA), the Department for Energy and Mining (SA), and Good Shepherd Microfinance. Our agency works solely with remote Indigenous people in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands of northern South Australia to assist those experiencing financial crisis, provide financial literacy education and build financial resilience. More information about our organisation can be found at www.moneymob.org.au.

MMT welcomes ESCOSA's proposed customer protections for prescribed customers as a means to better address some of the risks associated with a mandatory prepayment system. Our responses to the consultation questions are below:

Accessibility

1. *Do the proposed protections adequately address concerns about communication accessibility for prescribed customers? If not, what protections do you propose?*

MMT welcomes the proposed protections around communication accessibility. Given the low levels of literacy amongst prescribed customers, MMT would especially like to see communications of all documents produced in audio format, in language. MMT would also like to see the inclusion and promotion of additional information on customer rights and obligations including service standards, customer protections and hardship information.

Debt accrual during protected periods

2. *Do you support the option to provide prescribed customers with the option to opt-in to self-disconnection between 10am and 3pm on weekends? If not, do you propose the protected period over the weekend remain or be removed?*

In their submission to the Department for Energy and Mining's (DEM) proposed amendments to customer payment under the Remote Area Energy Supply (RAES) Scheme, the South Australian Council of Social Services (SACOSS) note that 'prepayment undermines the fundamental principle that no one should be disconnected from an energy supply because of an inability to pay'¹. SACOSS also note that the regulation change places the prescribed customer group 'out of step with the experience of all other energy consumers in the South Australian community'². MMT would like to see a cap on the amount of debt that can be accrued instead, so that it does not exceed people's ability to repay. If the option to opt-in to self-disconnection is made available, it must be supported by clear communication and education to prescribed customers about the options and implications. Given the lack of access to mobile internet and home broadband, radio and television in many Anangu households, the best means of ensuring this promotion achieves adequate coverage is by funding on the ground capacity to take information to households.

Limitation on the recovery of debt

3. *Do you support a maximum 20 percent of each top-up payment going to pay down prescribed customer debt? If not, what should the ratio between debt payment and top-up amount be?*

MMT supports a maximum of 20 percent, and definitely not any higher, of each top-up payment going to pay down prescribed customer debt associated with friendly and emergency credit accrued over weekends and protected periods only. This could be a good option for customers who have accumulated large friendly credit/emergency credit debt as it will remove some of the financial burden on households to pay back all of their accumulated debt before being able to reconnect their electricity supply. This could help the issue of residents having to make the choice between electricity and other essential items such as food. Again, this must be supported by clear communication and education to prescribed customers about the details and implications. MMT does not support the recovery of other associated fees and charges via this system.

Transparency

4. *Do you support the proposed reporting metrics and the quarterly timing of these reports? If not, what other metrics or timing requirements do you propose?*

MMT supports the proposed additional reporting metrics. The support provided through MMT's Pawa Atunmankunyjtjaku education project is scheduled to conclude six months after the introduction of charging to prescribed customers. MMT suggests a more frequent reporting cycle could be beneficial during this time to allow a better understanding of how customers are adjusting, analysis of emerging trends and what areas

¹ SACOSS, [Submission to the Department for Energy and Mining on its consultation on proposed amendments to customer payment under the Remote Area Energy Supply \(RAES\) Scheme](#), 16 September 2021, p. 20

² SACOSS, [Submission to the Department for Energy and Mining on its consultation on proposed amendments to customer payment under the Remote Area Energy Supply \(RAES\) Scheme](#), 16 September 2021, p. 9



of education support are required. Additional metrics that MMT believes would be beneficial include number of phone calls to Cowell Electric for support and amount of debt accrued by prescribed customers.

Life support customers

5. *Do you support the revised definition of 'life support system' for prescribed customers? If not, what further amendments do you propose?*

MMT welcomes and supports ESCOSA's revised definition of 'life support system' to include additional life support equipment and medically required heating and cooling. Households containing people living with chronic health conditions are likely to be the majority rather than the minority in the prescribed customer group. MMT is concerned about the administrative requirements involved in registering life support equipment and would like to see the inclusion of a broader range of support workers (for example, case workers, social workers, teachers, aged care workers, financial counsellors) able to assist customers with notification to Cowell Electric of the need for customer life support equipment. This should be accompanied by an interim notification period (e.g. 30 days) during which the prescribed customers must gain certification from a medical practitioner to register life support equipment and provide the required documentation to Cowell Electric. This is suggested as a means to address the high workloads of medical practitioners, and the fact that they are not available every day in every community.

Domestic and family violence protections

In addition to the proposed customer protections outlined, 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 nationally³. 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.

Thank you for the opportunity to provide feedback in relation to this consultation. Should you have any questions, please contact Nicholas Rickard on 08 8953 2410, or fspm@money mob.org.au.

³ Australian Institute of Health and Welfare. (2019). Family, domestic and sexual violence in Australia: continuing the national story 2019. Canberra: AIHW.