

# Disconnections, the ‘newly vulnerable’ and long-term debt emerge as priority issues at roundtable

**30 April 2020**

*Electricity and gas*

*Thursday 30 April, 3-4:30 pm (via Zoom)*

Representatives from Victoria’s community support and consumer advocacy groups say energy disconnections and the emergence of a group of ‘newly vulnerable’ customers are emerging as key issues to address due to the coronavirus pandemic.

The prospect of short-term measures leading to long-term debt for households and small businesses was also identified as a key concern.

The group raised the issues at the Essential Services Commission’s third roundtable designed to understand the impact of the pandemic from the community and energy industry sectors.

Hosted by chairperson Kate Symons the group was also updated on steps taken by the commission to understand and address the impacts of the pandemic on Victorian consumers and regulated businesses.

Attended by representatives from 10 of Victoria’s leading consumer agencies, the commission was told:

- Many help agencies are not experiencing an increase in calls for help which they attribute to most households being focused on the immediate health crisis and disruption to work and schooling. One agency however has been inundated with calls for support with call volumes up 60 to 80 per cent.
- A group of 'newly vulnerable' customers are emerging including those who have never experienced unemployment who are suddenly without any income, or access to income support including overseas students and migrant workers.
- Reports from domestic violence workers is mixed with some reporting an increase in calls for help and others reporting a drop. There have been reports that victims are being told by perpetrators that support services are not open.
- Some help agencies say customers are still being threatened with disconnections despite most distributors saying they will not disconnect for non-payment of bills at this time.
- A backlog of government utility relief grant applications is being processed at a rate of 1,000 per day. Meanwhile all customers with a pending application have been notified they cannot be disconnected or debt collection action taken against them.

# Transcript

## Acknowledgement of Country

I'd like to start today by acknowledging the Traditional Owners on all of the lands we're meeting on today and pay my respects to Elders past, present and emerging. I'd like to acknowledge the connection that Indigenous Australians hold to country and culture, particularly at this time of great uncertainty.

## Welcome

Thanks to everyone for coming to our second community sector roundtable. I want to once again extend my appreciation to everyone for finding the time to come together to have these important conversations when I know you all have such busy schedules.

On a personal note, I hope everyone has managed to find a sense of normalcy through these testing times. As we begin to hear talk of restrictions lifting, I know we are still quite a way off business as usual and suspect the effects of this pandemic will be felt for a while to come.

We are still trying to understand the full impact of the coronavirus pandemic as it unfolds. The short-term impact on consumers is beginning to come to light, and shortly we'll update you on how we are going about collecting data at this pivotal time.

Before those updates, I want to reiterate the commission's commitment to continuing to monitor the environment, and hear directly from consumers, consumer and business organisations and the community sector so that we can continue to understand the situation as it unfolds.

## **Today's purpose**

Today's roundtable will be a little different from the first one. We will still be listening to you—the primary purpose of our meeting is to hear from you directly about what you are seeing consumers experiencing on the ground. However, we also want to start using this roundtable to update you on what's been happening at the commission, and to invite your participation in some 'deep dive' conversations about critical issues as they emerge.

## **Attendees**

- Zac Gillam - EWOV
- Lauren Solomon and Emma O'Neill – Consumer Policy Research Centre
- David Bryant – Brotherhood of St Laurence
- Gavin Dufty – St Vincent de Paul
- Brooke McKail – VCOSS
- Gerard Brody and Jake Lilley – Consumer Action Law Centre
- Sandy Ross and Lyn Dundon – Financial Counselling Victoria
- Carolyn Bond – Economic Abuse Reference Group
- Domestic Violence Victoria – Kate Mecham
- Community Information and Support Victoria – Jill Wilson

## Observers

- Sarah Proudfoot – Australian Energy Regulator
- Nathan Crombie, Rod Curtis and Emma Whalan – Department of Environment, Land, Water and Planning
- Alicia Kraus – Department of Treasury and Finance
- Gordon Caris and Angela Dignan – Department of Health and Human Services

## Commission staff

- I am joined today by fellow commissioners – Simon Corden, Sitesh Bhojani and Rebecca Billings
- Our CEO John Hamill
- Members of our executive team – Marcus Crudden, Sarah McDowell and Michelle Bryne
- Jess and Kat, our leads on vulnerability policy, research and engagement, and their Manager Lucy Weston.
- Lisa Horsburgh and Clayton Bennett from our communications team
- Kat Harris and Ann Randles from the Energy team
- Mayumi, our intern who is supporting the vulnerability team.

## Recap of first roundtable

The key insights we gathered from the first roundtable include:

- Calls to support services are down—but this is only temporary
- Different types of vulnerability are emerging, and communication is key to supporting customers
- Consumers are still being disconnected, and the payment difficulty framework is not always being applied as it should be
- Delays in the release of utility relief grants is creating considerable difficulty for consumers
- We should be focusing on consumer welfare and wellbeing, especially coming into winter
- Small businesses can't be overlooked when talking about consumer welfare
- The coronavirus pandemic will also have gendered impacts

- Sharing information is crucial to achieving outcomes for consumers through the coronavirus pandemic

## **Energy sector roundtable**

We also held a roundtable with the energy sector last week, on Wednesday 22 April. Energy businesses told us that:

- There has been an increase in customers seeking payment difficulty assistance – both residential and business – and predictions that this will increase significantly over the coming months
- Energy businesses are adapting to working from home and in the field and are concerned about the wellbeing of their staff
- Energy businesses are concerned about the extra challenges around implementing regulatory reforms at this time
- Energy businesses have increased communication with customers about payment difficulty assistance, planned outages and energy efficiency
- Retailers emphasized the importance of sharing bad debt burdens across the energy supply chain

## **The commission's work**

Since the first roundtable, the commission has been busy in our mission to provide protections for Victorian consumers in our regulated sectors. Briefly, this has included:

- The Australian Energy Regulator and the commission launched a joint effort to collect timely data to monitor the ability of energy customers to pay their energy bills at this time. The It's your Energy communication campaign has been running again, promoting information about the payment difficulties framework. We have also communicated with water businesses, indicating our expectation they may need to go beyond minimum requirements for customer protection at this time.

## **Update from director of energy Sarah McDowell**

- We have reshaped our 2020 compliance program to target regulatory requirements aimed at supporting vulnerable customers, including customers experiencing payment difficulties and family violence.

## **Update from community sector**

We are fortunate to have representatives from 10 organisations here today. I'd like to give organisations an opportunity to provide an update of two to three minutes each to provide some reflections on what you have been seeing in your work with consumers and small businesses and the impact on Victoria's community.

## **Discussion topics**

- At the last roundtable we heard calls to the Energy and Water Ombudsman of Victoria and calls to support services were down. Has there been any change since then?
- Are you seeing customers having difficulty in engaging or accessing assistance from their energy providers? What does that look like? Have you heard of any good examples of retailers doing proactive engagement with customers or providing support?
- Have you seen any change in the delayed approval of URGs applications, as mentioned at the last roundtable?
- Are you seeing any change in practices from water businesses or local government for customers who are experiencing payment difficulty?

## **Detailed discussion**

The group had a detailed discussion about:

- disconnections and how the payment difficulties framework is being applied across the state
- the need for balanced and considered decisions that have regard to both consumer protection and market resilience
- the need to understand the 'newly' vulnerable as well as the impact on the 'existing' vulnerable and whether the barriers to seeking or getting help are the same.

## In closing

Thanks to everyone for being here today, once again it's been a really valuable discussion. Our next roundtable is scheduled for next month – invitations will go out for that in the next week or so.

I appreciate your time today, stay well and I look forward to seeing you again next month.

## For general enquiries

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