
Community sector roundtable #4 - Chair's notes

16 July 2020

Corporate

Thursday 16 July, 3:00-4:30pm (via Zoom)

Representatives from Victoria's community support and consumer advocacy groups say the return to restrictions is already being felt in the community particularly in terms of the impact on mental health.

More than 40 representative from the help sector came together for the group's fourth roundtable discussion since the coronavirus pandemic started.

The group heard that the risk of people having severe mental health episodes has increased with the second lock down.

New issues that appear to be emerging included:

- Increasing deferral of energy debts which means higher bills at a time when government subsidies may no longer be available.
- Many consumers who are seeking support are being put into a 'COVID-bucket' which may mean other issues (like family violence or mental health issues) aren't being appropriately addressed.
- Some of the most vulnerable in the community are suffering isolation anxiety because most help services are now exclusively online, exacerbating the digital divide.

Transcript

Acknowledgement of country

To start, I'd like to acknowledge the Traditional Owners on all of the lands we're meeting on today and pay my respects to Elders past, present and emerging.

I would like to acknowledge the connection that Indigenous Australians hold to country and culture.

Welcome

Good afternoon everyone and welcome to today's community sector roundtable, our fourth in this series.

I'm Kate Symons and I am the chairperson of the Essential Services Commission.

We last met two months ago. In that time there have been several subgroup meetings in relation to information sharing to support potential enforcement action, which I'll ask Sitesh to provide a brief update on in a moment.

I'd like to acknowledge how much has changed in the external environment in that time as well. For many of us based in Melbourne the last few weeks have been a challenging time returning to harder restrictions and seeing fellow community members in full lockdown.

We'll be talking later today about what this has meant for your organisations and your clients, but I think it's important to start today's meeting by reflecting on the impact that this news has had across the Victorian community. It's a long road ahead and we are all in it together.

Attendees

- My fellow commissioners: Sitesh Bhojani - Simon Corden - Rebecca Billings.
- Our CEO – John Hamill.
- Our Director of Energy – Sarah McDowell
- Our Director of Price Monitoring and Regulation – Marcus Crudden
- And our Head of Strategic Communication – Michelle Bryne
- Our Customer Engagement Project Manager – Lucy Weston

- Our Project Leads on consumer vulnerability – Jess and Kat
- Engagement Practice Lead – Lisa Horsburgh
- From our Energy Team – Kat Harris and Ann Randles
- From the Price Monitoring and Regulation Team - Saeideh Khosroshahi, Bobby Flynn, Meg Harris and Jason Cox
- Our project intern – Mayumi

Community and consumer organisations

- Jarrod Lenne – Victorian Council of Social Service
- Ciara Sterling – Thriving Communities Partnership
- Cynthia Gebert – the Energy and Water Ombudsman Victoria
- David Bryant – The Brotherhood of St Laurence
- Gavin Dufty – St Vincent de Paul
- Gerard Brody and Jake Lilley – Consumer Action Law Centre
- Lee-Anne Carter – Victorian Aboriginal Legal Service
- Lyn Dundon – Financial Counselling Victoria
- Tania Clarke – Women's Legal Service Victoria
- Tess Mathews – WestJustice
- Dominic Schipano - Council of Small Business Organisations Australia

Observers

- The Australian Energy Regulator
- Department of Energy, Environment, Land, Water and Planning
- Department of Health and Human Services
- Department of Treasury and Finance.

Commission's update since last roundtable

Since we last met the commission has continued to monitor the environment and respond to emerging trends. The updates we've received through these roundtables have been invaluable and have

informed the work that has progressed over this time.

Development of our vulnerability strategy

Jess and Kat are our project leads on consumer vulnerability and over the last few months have brought together these roundtables and provided advice across the commission to inform our work.

They are now beginning a one-year project that will develop a whole-of-organisation strategy to address consumer vulnerability.

The strategy will aim to capture the changing nature of consumer vulnerability through the coronavirus pandemic and identify outcomes across our regulated areas.

We will have more to say at our next roundtable on this work (Jess and Kat will do a short presentation), and we look forward to working with you to develop the strategy.

Data from energy and water businesses

As we presented at the last meeting, we've been collecting data from water businesses and energy retailers to understand what's happening for consumers and businesses.

Observations of the water sector

Water businesses are still saying we are in the calm before the storm and expect issues relating to affordability will increase in September when there may be a reduction in government support.

There has been a small increase in customers seeking help including some who are reaching out for the first time.

The water businesses are working to prepare for an increase in calls for help including modifying their language and putting a greater emphasis on proactive communication.

Observations of the energy sector

There have also been a number of developments in the energy sector, including reforms for residential and small business customers, the Victorian Default Offer and embedded networks.

We are receiving data on how energy customers are taking up payment assistance during the pandemic. We haven't yet seen an overwhelming and sustained increase in customers enquiring and receiving assistance, but we're keeping a watch on this particularly during September.

Our key observations in June (compared to May) are:

- a good sign of no disconnections for non-payment during June
- weekly average number of residential electricity customers missing bill payments increased by 4 to 13 per cent – this could be a fluctuation, but we're keeping an eye on this
- but we also saw a 26 per cent and 40 per cent decrease in residential and small business electricity customers asking about assistance

Overall, about 2 per cent of Victorian residential customers are receiving assistance – 47,000 electricity customers and 43,000 gas customers. And their arrears have also gone down by 1 to 2 per cent.

We have also received new data on customers who have deferred paying bills – we understand that this may be the customers who deferred bills around the time of the first lockdown. We found:

- 8,400 electricity residential customers which is equivalent to about 0.3 per cent of the market
- 2,306 electricity and 908 gas small business customers have deferred the payments of their bills

Workshops for community legal and financial counselling sectors

Following the last roundtable some of you met with Suresh and our enforcement team to discuss how information can be provided to us to support compliance and potential enforcement actions.

I've heard this has been a very productive process and I've asked Suresh to provide a brief update on some workshops that we will be holding for lawyers, financial counsellors and other community workers (the first one in partnership with EWOV).

Community sector updates

Representatives from 11 community service organisations then provided short updates on what they're seeing in their work with consumers and small businesses and the impact on Victoria's community.

Discussion topics

- What have the current restrictions meant for the clients your organisation is supporting?
- Have you had to make any changes to your work or service delivery?
- What additional risks do you think this may pose for consumers?
- Is there still an expectation that September is a likely time for more consumers to be seeking support?

In closing

Some key things I've heard today:

- We are very much in a 'wait and see' environment based on what happens with government assistance (JobKeeper and Seeker) in coming months. Everyone is worried about the September/October 'cliff.'
- Consumers experiencing vulnerability are needing to contact multiple agencies for support (navigating multiple systems) and in some cases are unaware they can receive support.
- The deferral of debts will raise challenges going forward so retailers need to be proactive about helping customers manage use and cost i.e. through tariff checks. We also need to track the data on debt deferrals so we can get a handle on the scale of the issue in the lead up to September.
- There are gendered risks, with women facing more challenges around unemployment, childcare etc. Also, many consumers seeking support are being put into a 'COVID-bucket', and other systemic issues they are facing (such as family violence) are not being adequately addressed.
- And there's an opportunity and a need to destigmatise seeking support as more people will need help as the impact of the pandemic continues.

Can I take the opportunity to thank everyone for making the time, and for your valued contribution and insights into the effect of the pandemic on Victoria's community.

Once again, this has been a valued exercise to more fully understand the experiences of consumers at this time.

Stay well and take care.

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