

Vulnerability strategy launched at virtual forum

18 September 2020

Electricity and gas

Thursday 17 September, 4:00-5:00pm (via Zoom)

We launched a new project to ensure vulnerable customers are a priority at a virtual forum with around 200 representatives from consumer and community groups and the energy and water sectors this week.

In launching the project, commission chairperson Kate Symons said the consumer vulnerability strategy is about ensuring the voices of vulnerable consumers are central to decision making.

“We need to be assured vulnerable consumers have access to the essential services they need, along with appropriate support.

“This year alone, between bushfires and now the pandemic, existing forms of vulnerability have been exacerbated, and new forms have emerged,” she said.

The forum heard from its UK equivalent [Ofgem](#) that looking after vulnerable consumers and promoting innovation in industry are not mutually exclusive.

Meghna Tewari, head of retail markets policy at Ofgem said regulators need to send the right signals to encourage innovation and inclusive services.

“On the business side, there has been a real recognition that focusing on the consumer can really drive innovation.

“Regulatory strategy and principles-based regulation are essential to driving innovation,” she said.

The group heard businesses working together with regulators, the community sector and consumers is important to protecting vulnerable consumers.

We have released an [approach paper](#) for the development of our vulnerability strategy.

To contribute to the conversation go to [Engage Victoria](#).

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, particularly at this time of great uncertainty.

Welcome and introductions

To start I would like to welcome you all to today's webinar.

We've come together today in what is an increasingly uncertain world. In late 2019 we identified consumer vulnerability as a priority area for further examination.

A lot has changed since then.

While those of us here in Victoria navigate lockdown restrictions, we are all reckoning with the impacts of the coronavirus pandemic.

At the beginning of the year we were also living in the wake of devastating bushfires. It has certainly been a difficult year, and one in which many have experienced immeasurable loss.

We have not lost sight of our original vision - to develop a better understanding of how to ensure consumers experiencing vulnerability have access to the essential services they need, and appropriate support.

At the same time, we are acutely aware that the events of this year have exacerbated existing forms of vulnerability and created new ones.

We are committed to acting with purpose and developing a pathway to ensuring consumers have equitable access to essential services.

Our work in developing a vulnerability strategy will be a first step in our long-term goal to strengthen how we address consumer vulnerability across the commission's work.

Today, we will introduce you to our approach to developing a vulnerability strategy.

And invite you, as our stakeholders, to be involved in the process. We intend to develop our vulnerability strategy in the spirit of collaboration, and through deliberation with our stakeholders in industry, the community sector, and government.

Importantly, we will also be engaging directly with consumers through the course of our work program.

Introductions

Now I would like to introduce our excellent panellists who have generously given their time to join us in discussion today:

- Meghna Tewari – Head of Retail Markets Policy, Ofgem
- Shaun Reardon – Executive General Manager, Jemena
- Sandy Ross – Executive Officer, Financial Counselling Victoria
- Carol Ross – Executive Manager Customers, East Gippsland Water

I would also like to introduce my fellow commissioner Simon Corden, who will be facilitating our panel discussion today.

And now I would also like to acknowledge everyone who is listening in today.

We have around 200 people attending today's launch, including fellow commissioners Sitesh Bhojani and Rebecca Billings and CEO John Hamill.

We also have representatives from:

- the Victorian Government – including Department of Environment, Land, Water and Planning, Department of Health and Human Services, Department of Treasury and Finance and Consumer Affairs Victoria
- other regulatory bodies – including Australian Energy Regulator and the ACCC
- the energy sector – including small, medium and large energy retailers, distributors and representatives from the Energy Charter
- the water sector – including metro and regional water businesses and the Water Services Association of Australia
- the Energy and Water Ombudsman of Victoria
- consumer advocacy organisations – including Consumer Action Law Centre, Westjustice Community Legal Centre and the Consumer Policy Research Centre
- community organisations – including Ethnic Communities Council of Victoria, Council on the Ageing Victoria, Women's Information Referral Exchange, Victorian Aboriginal Legal Service and No to Violence
- and we also have representatives from other industries and sectors including the ANZ Bank, Transurban, Suncorp, the University of Melbourne and RMIT University.

So as you can see – we have cast the net far and wide and we will continue to do so as much as we can throughout the project.

Can I extend a warm welcome and thank you - for taking the time to attend today's online event.

We look forward to working with you as we develop our vulnerability strategy over the next year.

Vulnerability strategy

Today, I am quite excited to formally launch the start of our work program to develop a vulnerability strategy.

The team has been working on the foundation for this work for a while.

They have been talking to many of you, doing their research and today, we are putting out an approach paper which sets out how we plan to go about developing the strategy - and importantly how you can contribute to this work.

Our approach to developing a vulnerability strategy

To start, our vulnerability strategy will have two very important elements.

It will draw on evidence to define vulnerability in a changing economic environment.

It will bring the voices of consumers experiencing vulnerability to our regulatory processes.

To be published in mid-2021, the strategy will seek to provide a contemporary definition of consumer vulnerability and identify measurable and achievable outcomes across our regulatory functions.

This will set a pathway for us to take a consistent and coordinated long-term approach - to supporting consumers experiencing vulnerability and ensuring equitable access to essential services.

To develop this strategy, we have identified three intersecting streams of work.

The three streams will inform our vulnerability strategy:

- research
- engagement
- thought leadership and capability building.

These workstreams will help us establish a problem definition.

It will feed into developing our vulnerability strategy and setting outcomes for our operational functions in early 2021.

Our problem definition will include:

- a working definition of consumer vulnerability

- the scope of consumer vulnerability in Victoria in relation to our regulated sectors
- the changing nature of vulnerability in the coronavirus environment
- identification of potential risks of consumer harm in our regulated sectors
- opportunities within the commission's remit where reform or action could play a role in mitigating consumer harm.

Research

Research and data analysis are essential to understanding the scope of consumer vulnerability.

Two qualitative and quantitative research projects have been designed to help us capture the varied experiences of different consumers and emerging data trends:

The first project will involve interviews with community workers and volunteers.

Conducted by the Consumer Policy Research Centre, this research aims to capture the experiences of consumers experiencing vulnerability in the energy market.

The second project will involve analysis of data from multiple sources.

This work aims to capture the systemic factors affecting consumers in the current environment.

It will give us a window to see into, and keep track of, the conditions of vulnerability affecting consumers.

This window will help us:

- increase information sharing with consumer advocates to our mutual benefit
- enhance our data gathering capacity and
- equip us to act quickly in future where, like now, there is significant uncertainty.

This research will help us develop clear outcomes in the design of policy and regulation to meet the needs of consumers experiencing vulnerability.

I know I speak for my fellow commissioners here when I say we are always keen to have information that helps us understand - at a deep and granular level – the experience of consumers of essential

services especially those experiencing vulnerability.

This research will help us ensure we respond in targeted and effective ways as a modern and active regulator.

Engagement

To understand the perspectives and needs of consumers experiencing vulnerability we need to collaborate meaningfully with consumers, the community sector, our regulated sectors, other essential industries, and commission staff.

Our engagement program is focused on building strong relationships to establish trust and authority to act on issues related to consumer vulnerability.

Our program will include many opportunities to engage in different forums and discussions.

It includes continuing our community sector roundtables which have been so useful to helping us understand the unfolding social and economic effects of the coronavirus pandemic.

We will continue to hold these until at least the end of 2020.

To this, we plan to add a community sector reference group made up of diverse consumer and community representative organisations across Victoria.

Distinct from the roundtables, the reference group will focus on testing ideas and providing advice to inform the vulnerability strategy.

There is an expression of interest form and terms of reference for this group on our website and I encourage our community sector stakeholders to apply to join the group. We will send out the link to this after today's event.

To ensure we are capturing the views of the wider community, we will also be conducting deliberative engagement with consumers – there will be more information on this to come.

We will be holding targeted industry engagement through ongoing consultation at industry roundtables and cross-sector workshops to share insights and examples of better practice.

And we will also be establishing an internal working group which will bring expert speakers in to present and holding workshops to develop outcomes across our functions.

Thought leadership and capability building

Finally, this project offers an opportunity for the commission to continue to demonstrate thought leadership in this area.

I am very proud of the reputation the commission has developed in recent years for being innovative and resourceful in tackling some of the most difficult questions facing modern regulators.

From our award winning work on the PREMO water pricing framework, to payment difficulties in energy and family violence, our approach is grounded in working closely with the sectors we regulate, affected customers as well as those who support them.

To deliver on this objective, we will be working on two guiding frameworks for engaging with consumers experiencing vulnerability.

This work will deepen our understanding, build our capability, share better practice and ensure any regulatory instruments or guidance is firmly embedded in a solid understanding of the issues:

This stream will produce:

Guidance for working with victim-survivors of family violence developed in partnership with Domestic Violence Victoria,

And guidance for sensitive and appropriate engagement with consumers experiencing vulnerability developed in partnership with the University of Melbourne's Social Equity Institute.

Through this work we will continue to share insights and build knowledge in a collaborative and inclusive way.

Setting initiatives

The insights gathered in our research and engagement program will inform our problem definition, including a definition of consumer vulnerability, and priority areas of focus.

This will help us identify the most significant potential risks to consumers in the marketplace.

Using this definition, and emerging themes and risks, we will work in partnership with our stakeholders to identify measurable and achievable outcomes.

These outcomes will give us a long-term pathway that will inform the commission's future work.

The broader context

In developing our approach, we have considered the context of the current environment.

This includes:

- the changing expectations of regulators
- our role in responding to consumer vulnerability
- the broader policy context and
- the increasing focus on consumer vulnerability among regulators in the UK and Australia.

As recent royal commissions have shown us, when things go wrong, the community can be very critical if a regulator fails to hold businesses to account – especially where vulnerable members of our community are affected.

As the last six months has shown us, there is an expectation that when things get really tough, the regulator is both willing and able to step in and do what is needed to protect the long-term interests of consumers.

We have responded to the crisis in meaningful ways including updating our customer protection codes to ensure appropriate protections for consumers experiencing vulnerability.

We have provided data and advice to the Victorian Government to develop initiatives to support consumers accessing essential services.

And we have paid particular attention to an increasing focus on consumer vulnerability by regulators in the UK and Australia.

These regulators – including Ofgem, one of our panellists today who published their first vulnerability strategy in 2013 – have led the way for regulators in embedding consumer vulnerability in their work.

So that wraps up the overview part of today's session and can I say, how very proud I am to be leading this organisation at a time when it is truly embracing it's legislative purpose - to promote the long-term interests of consumers - including low income and vulnerable consumers.

I'm now going to hand over to Commissioner Simon Corden to lead our panel discussion.

Panel discussion chaired by Simon Corden

Commissioner Simon Corden chaired a panel with guest speakers:

- Meghna Tewari – Head of Retail Markets Policy, Ofgem
- Shaun Reardon (rear-DUN) – Executive General Manager, Jemena
- Sandy Ross – Executive Officer, Financial Counselling Victoria
- Carol Ross – Executive Manager Customers, East Gippsland Water

The discussion included questions about consumer vulnerability, the role of regulation in addressing consumer vulnerability, and what some organisations are doing to support their staff and customers through difficult times.

[Watch the full video.](#)

Key learnings included:

- Businesses have been responsive during the pandemic to the needs of their customers. This has included tailored support and community-based initiatives (like donations of laptops to people who are digitally excluded). The key is listening to customers to find out what they need and designing the right supports.
- From the pandemic, we've learned that we need to be planning and thinking with a public health framework—this includes financial health. We need to think ahead especially to what happens when temporary measures like JobKeeper and JobSeeker end. The end of these measures might leave people in a worse situation as before, especially where large debts have accumulated.

What we can expect is hardship on a scale we haven't seen before.

- It's important to maintain empowerment and respect for consumers through engagement and not treat people as a policy problem to solve.
- During a pandemic (or other times of external challenge), what you need is flexibility, so that you can respond with agility. One thing we can learn is the importance of data strategy, and how businesses are using it to identify who needs help. When data isn't collected and used properly, it creates cost for businesses and challenges for the regulator if the market isn't being tracked properly. A robust analytical framework is necessary to assess risk.

There will be an extensive engagement program and today is the beginning of that program. You have all been sent a link to the issues paper and we are keen to hear your observations, your stories, and your ideas on the way forward.

Now I'll hand back to Kate.

In closing - Kate Symons

Thank you, Simon, and thank you to our panellists Meghna, Shaun, Sandy, and Carol.

I would like to wrap up today's session by taking us back to where we began – our vision for this work - to develop a better understanding of how to ensure consumers experiencing vulnerability have access to the essential services they need, and appropriate support.

This would be important work at any time ... but it must be acknowledged that this is happening at a time when consumer vulnerability is at the forefront of thinking for everyone.

This is both a challenge and an opportunity – an opportunity to make a meaningful difference and contribution – to strengthen how we address consumer vulnerability across the commission's work.

And we cannot do this without you, our stakeholders.

As I've outlined today – this will be a collaborative process with industry, the community sector, and government and most importantly, with consumers.

Please join us on this journey.

Thank you for your time and I look forward to seeing you again as we go forward.

Panellist biographies

Meghna Tewari – Head of Retail Markets Policy, Ofgem

Meghna is an economist by training. Currently working for the Office for Gas and Electricity Markets (or as we fondly know it - OFGEM).

As the Head of Retail Markets Policy Meghna's team is responsible for ensuring the rules send the right signals to the market to protect consumers and hold firms to account for consumer outcomes.

Her team is behind Ofgem's highly influential consumer vulnerability strategy.

Before joining Ofgem, Meghna worked in developmental finance in India.

Shaun Reardon – Executive General Manager, Jemena

Shaun has over 25 years' experience in the energy industry and currently has oversight of Jemena's electricity distribution business with responsibility for strategy, commercial, regulation, customer services, asset management and network operations.

Shaun has qualifications in marketing, mechanical engineering and is a graduate of the Australian Institute of Company Directors.

Sandy Ross – Executive Officer, Financial Counselling Victoria

Sandy has been executive officer of Financial Counselling Victoria since 2017 - the peak professional body, establishing and maintaining professional standards for financial counsellors in Victoria.

Financial Counselling Victoria also advocates on issues encountered by financial counsellors in their work with vulnerable Victorians.

Carol Ross – Executive Manager Customers, East Gippsland Water

Carol has qualifications in commerce, frontline management, finance and human resources and has worked in the water industry for more than 25 years with a focus on customer experience, support and satisfaction.

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