

Engaging with customers and providing support remains crucial to energy industry as we move to new normal

11 November 2020

Electricity and gas

Providing new ways to encourage customer engagement and more support around disconnection advice were key messages heard at Tuesday's roundtable hosted by the state's energy regulator.

More than 50 representatives from the energy sector, peak industry bodies, government and support agencies joined the Essential Services Commission at its fourth energy industry roundtable.

Commission chairperson Kate Symons led the discussion on the ongoing impact coronavirus has had on Victorians, with focus being on how support and advice is given to customers.

Much of the discussion focused on how the industry gets to 'COVID-normal' and the need to explore what comes next for the sector and Victorian consumers.

The group also heard from Energy and Water Ombudsman Cynthia Gebert and Karl Barratt from the Consumer Policy and Research Centre.

All retailers repeated their commitment to supporting customers, with several stating that they are thinking differently about ways to encourage customer engagement.

Chairperson Symons introductory notes

Please note, this is a summary – not a full transcript.

Good afternoon everyone and welcome to today's energy industry roundtable.

I am Kate Symons, the chairperson of the Essential Services Commission.

Acknowledgement of country

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

And importantly, during NAIDOC Week, I would like to:

- acknowledge the theme 'Always Was, Always Will Be', to recognise that the First Nations people have occupied and cared for this continent for over 65,000 years, and
- acknowledge the connection that Indigenous Australians hold to country and culture.

Welcome and introductions

It has been just over 11 weeks since we last met and things have certainly changed since then.

But we made it a priority to stay in touch with the energy, community and help sectors to ensure we understand what is happening for you and your customers at this time.

We have shared information about the impact of the pandemic on Victorian households and small businesses – this includes information provided by you as well as consumer surveys.

Today we want to continue with that formula – of listening and sharing – as well as explore what comes next. Now we can say at least from a health perspective that the worse does seem to be over.

Introductions

I would like to introduce my fellow commissioners and senior leaders from the commission

- my fellow commissioners: Sitesh Bhojani, Simon Corden and Rebecca Billings
- CEO John Hamill
- executive director of energy – Sarah McDowell
- executive director price, monitoring and regulation – Marcus Crudden
- senior regulator manager energy reform – Aaron Yuen.

Attendees

I would also like to welcome around 50 representatives from energy businesses of all sizes from across Victoria as well as peak bodies.

I will quickly run through the organisations represented – my apologies for any omissions - we did have a few late acceptances.

Retailers

AGL, Alinta, EnergyAustralia, Lumo Energy/Red Energy, Origin Energy, Simply Energy, M2 (Dodo power and gas/commander), Momentum, Tango Energy, Powershop, 1st Energy, CovaU, ERM Power, GloBird Energy, Powerclub, Sumo Power, WIN Connect, Next Business Energy, Energy Locals, Discover Energy, Real Utilities, Smartest Energy.

Distributors

Jemena, Citipower, Powercor, United Energy, AusNet Electricity and Gas Services, Australian Gas Networks, Multinet Gas.

Industry peak bodies

The Australian Energy Council and Energy Networks Australia.

Observers

The Energy and Water Ombudsman Victoria is joining us today as is the Australian Energy Regulator along with representatives from the Department of Treasury and Finance and the Department of Environment Land Water and Planning and the Department of Health and Human Services.

Thank you for giving up your time to be here today.

Update from the commission

Reflections on our consumer and energy roundtables

Over the past six months we've hosted six roundtables with community support and consumer advocacy groups.

Concerns were raised that the real impact of the pandemic was being masked by government support programs like JobKeeper and JobSeeker because people were not reaching out for help.

We've heard about inconsistent outcomes in terms of support, affordable payment options and issues with authorisation. We have also heard consistently about challenges around the utility relief grant scheme and the digital divide meaning some consumers do not have access to, or the ability to use technology.

At our most recent consumer roundtable we were told there has been an increase in people accessing food assistance since the national wage support programs were cut back, potentially a sign of more to come.

The energy data

In the energy data, we have seen increasing signs of energy stress emerging for Victorian households and small businesses.

The number of residential customers receiving tailored assistance who can pay ongoing usage has been increasing since June 2020,

The average level of arrears for residential customers on tailored assistance for those who cannot pay ongoing usage continues to increase and at \$1,588 was 13 per cent higher than it was in April.

For small businesses – average electricity arrears have increased 23 per cent since April.

Positive signs

But there are some potentially positive signs in the data.

In October, calls for help to retailers were at their lowest since May. There has been an increase in retailers providing residential customers with tailored assistance, particularly those who can pay-on-going usage.

And more small business customers are receiving payment assistance in September.

The number of residential customers receiving tailored assistance who cannot pay for their on-going usage continues to decrease – this has been a steady decrease since April.

Energy work program

I would like to briefly give you an update on our energy work program:

- we have been continuing our reforms in the electricity distribution sector
- we will release our review of the Electricity Distribution Code shortly
- we are consulting on a new greenfields connections customer service standard
- our annual Victorian Energy Market Report will be published in November.

Vulnerability strategy

As you may know, the commission has begun a work program to develop a consumer vulnerability strategy.

Our vulnerability strategy work program is now well under way. We are busy carrying out research and engagement activities to inform our problem definition, which will help us to shape outcomes in the new

year. [Read more about the strategy here.](#)

Update from the ombudsman

I'd like to introduce colleague Cynthia Gebert – the Energy and Water Ombudsman of Victoria.

The role of the ombudsman is to provide Victorian customers with free, accessible, informal and fast dispute resolution services is critical at all times but especially at times of economic uncertainty.

Ombudsman Gebert provided an overview on what has been seen in terms of complaints and customer concerns. The overall volume of complaints is below expected levels, 14 per cent lower than last year's. There have been several concession errors, with people who are new to the concession framework experiencing hurdles accessing their entitlements.

Consumer Policy and Research Centre presentation

I would now like to introduce Karl Barratt from the Consumer Policy and Research Centre. The centre is a critical resource for decision makers like us.

Their research has helped us understand the impact of the pandemic on Victorian customers as we made decisions about what needed to be done to ensure our safety net was working as it needed to in this environment.

Mr Barratt gave attendees an insight into the current consumer environment. He noted that there has been large-scale recognition that the family violence provisions have provided clients with support, but there is a sense of frustration that some progress is being hampered by new challenges. Particularly difficult is the failure to accept verbal authorities from customers for financial counsellors to act on their behalf.

He also provided an overview of inconsistencies found in information support – where financial counsellors are relying on repeated calls to energy retailers until they find someone who had the

knowledge to help. Likewise, the increase in online presence of retailers following coronavirus means that information is less easy to access for those who are not digitally literate. Access to utility relief grants remain a major concern for clients.

Roundtable discussion

The group participated in a roundtable discussion where all retailers had the opportunity to provide feedback.

The discussion centred around:

- focusing on customer engagement being key to getting through the next stages of the coronavirus pandemic
- retailers are still seeing some customers building up large arrears and not responding to contact
- there has been an increase in customers requesting assistance, especially over the last few months
- there has been an increase in contact from small business customers particularly since the further easing of restrictions
- there are further opportunities to enhance support for customers seeking to access the utility relief grant scheme
- networks are focusing on preparing for the summer period with inspections, maintenance, and vegetation clearance
- networks are also trying to minimise planned outages.

In closing

I would like to take this opportunity to acknowledge and thank you, and the businesses you represent, for your efforts to date.

I know - like us - all businesses are working in new ways to look after their own staff, address customer needs, and liaise with government and other bodies.

I have been heartened to hear energy businesses making promises to put their customers at the forefront of their thinking, who are showing they as committed as we are to supporting the community in these difficult times. And please, if you can take a few minutes to complete the survey we will send around later today if you have not had a chance to contribute as much as you would like to today's conversation.

Thanks again and I look forward to seeing you again next time.

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