

Welcome to the first edition of our e-newsletter designed to keep you updated on our inquiry into how energy companies assist customers facing financial difficulties to pay for their energy while remaining connected.



Chairperson's update

In February this year, the Minister for Energy and Resources and the Minister for Finance asked the Essential Services Commission to conduct an inquiry that reviews energy retailers' policies, practices and procedures in supporting customers struggling to pay their bills. In doing so, the Commission was also asked to assess whether the regulatory framework governing retailers' obligations, represents best practice. [A copy of the Terms of Reference can be found here](#)

In March, the Commission released an [issues paper](#) that laid out our approach and areas of interest. A broad range of stakeholders have contributed to the review so far, both through submissions ([read submissions here](#)) and meetings with our team. Our discussions so far have certainly confirmed the complexity of the task and amplified the need for a broad discussion that focuses on reviewing the framework as a whole.

In May, I presented to the Credit Collections and Hardship Program in Utilities conference in May ([Read my full speech here](#)). The presentation sought to explain some of the complex issues with which we are grappling.

In addition to the submissions we've received, the team has engaged independent experts to review the current regulatory framework and examine the current day-to-day experiences of customers struggling to pay their bills.

Thank you to all the retailers who have cooperated with that exercise. We recognise the work you have undertaken to provide the relevant data.

We will publish a draft report in late August, followed by a further round of consultation, including public meetings.

Over the coming months, we will continue to produce newsletters to inform you about the progress of our inquiry, as well as highlighting some of the issues coming to our attention. We welcome any feedback you may wish to provide on the content of future newsletters.

Thank you for your input and cooperation so far. The team and I look forward to your ongoing engagement with this inquiry.

Dr Ron Ben-David

Chairperson

The process so far

In March 2015, we released an [Issues Paper](#), which outlined the timelines, processes and the Commission's approach to the inquiry. The Paper sought feedback from all interested parties on key issues for the inquiry. We have received [22 submissions](#) from retailers, consumer groups and regulators.

We have contacted more than 40 organisations around the State and have so far met with nearly 25 of these one-on-one to discuss the issues.

Emerging issues

The submissions and our discussions so far have presented a wide range of views relating to the regulatory framework under which retailers and consumers operate and future options.

It is clear there are significant issues associated with the current framework, its application and its impact on the day-to-day experience of customers facing financial difficulties.

Many submissions have identified the importance of early intervention and the prevention of debt accumulation.

Our discussions have also revealed significant differences between retailers' approach to providing assistance to customers experiencing payment difficulties.

Submissions have also dealt with the issue of payment plans. They note that successful payment plans rely on sustainable agreements between retailers and customers. Stakeholders have raised a number of concerns about how sustainable payment plans are achieved in practice.

These are just some examples of the issues raised in the inquiry to date. The Commission is looking at how similar issues are addressed in other countries and by other industries including the different roles of Government, retailers and consumer organisations.

Next Steps

We are finalising our data collection, which will inform our draft report, which will be published by late August. The draft report will contain our preliminary findings and draft recommendations. A further round of consultation on the draft report will follow including public meetings, with a final report scheduled to be published in late 2015.

Thank you for your contributions so far. If you have any queries regarding this inquiry please visit our website at www.esc.vic.gov.au/Energy/Energy-Hardship-Review or contact Celine Grant at energyhardshipreview@esc.vic.gov.au

