



Essential Services Commission

Via email: [energyreform@esc.vic.gov.au](mailto:energyreform@esc.vic.gov.au)

## Re: Energy Consumer Reforms discussion paper

The Brotherhood of St. Laurence (BSL) welcomes the opportunity to submit on the Essential Services Commission (ESC) Energy Consumer Reforms Discussion Paper. Our brief comments are focused on the proposed reforms:

### 1. We strongly support the application of automatic best offers for customers experiencing payment difficulty.

On the specific points raised:

- **Methods of switching:** In our view, reducing tariffs to match the best offer provides a straightforward, effective method of ensuring these consumers pay lower rates.  
Some of the issues raised by the other options include:
  - Crediting the difference between the current plan and best offer: this may create difficulties where householders attempt to compare offers in future, because their rates would appear to be higher than their actual post-credit rates.
  - Automated switching to best offer: this may result in some customers losing conditions they value or require, such as paper bills or not paying via direct debit.
- **Opt-in / opt-out of automated switching or universal provision:** We support **opt-out** to maximise coverage and benefits to the target population, while providing those who do not want to be switched the option to remain on the higher tariff. This is consistent with behavioural economics research showing that default options are powerful ways of shifting behaviour.<sup>1</sup>
- **Eligibility:** This should be applied to all residential customers experiencing payment difficulty.

### 2. We support provisions to improve the ability to switch to the best offer.

### 3. We strongly support provisions to improve the application of concessions to bills.

We strongly support provisions to improve the application of concessions to bills. Retailers should be obliged to proactively seek the relevant information at sign-up and at regular intervals for their customers.

Where retailers add a concession for a customer whose account has been missing one, they should be obliged to organise back payment and there should be no time limit on the back pay claim.

### 4. We strongly support provisions to extend protections for customers on legacy contracts.

Protecting households from high legacy tariffs is crucial. BSL regularly sees very high bills from households on old offers. Any move to address such legacy contracts like these will need to ensure the underlying tariff is improved.

**5. We strongly support provisions to improve awareness of independent dispute resolution services.**

The Energy and Water Ombudsman Victoria (EWOV) plays an essential role for consumers in the Victorian energy market. We support EWOV's recommendation to require retailers to include EWOV's contact details on bills and related communications such as emails containing bills.

For further information or to discuss this submission, please contact:

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<sup>1</sup> For example, <https://behaviouraleconomics.pmc.gov.au/sites/default/files/resources/harnessing-power-defaults.pdf>