



Brotherhood
of St Laurence

Working for an Australia free of poverty

ABN 24 603 467 024

Brotherhood of St Laurence
67 Brunswick Street
Fitzroy 3065 Victoria Australia
Telephone: 03 9483 1183

28 June 2021

Essential Services Commission

Submission regarding draft vulnerability strategy

The Brotherhood of St. Laurence (BSL) welcomes this opportunity to comment on the Essential Services Commission (ESC)'s draft vulnerability strategy. It is crucial to better address the barriers that many Victorians face in accessing essential services such as energy and water. We commend the Commission for establishing a strategy that aims to lessen these barriers. This submission outlines our responses to the ESC's consultation questions pertaining to energy.

Do you think implementing these goals will assist to improve outcomes for consumers? If not, why not? If yes, is there a way we could strengthen or improve our proposals further?

We believe the Commission's goals are generally appropriate, although we suggest reframing goal 3 as below.

Goal 3: 'We aim to improve consumer trust and support them to feel empowered, make choices and seek support'.

We do not believe that improving consumer trust or enabling households to 'make choices' should be objectives in themselves; rather, the objective should be that the market **earns** trust by treating consumers fairly, offering them adequate protections, and providing affordable prices, regardless of consumers' ability to navigate a complex market.

Households, particularly vulnerable ones, have good reasons to distrust the market as it stands. As the ACCC and Thwaites reviews found, the market has functioned in a way that disadvantages vulnerable people and is difficult to navigate. While recent regulation has lessened some inequitable retailer behaviours, such as pay-on-time discounts and high standing offer prices, the market has a long way to go before it will earn most people's trust.

As the ESC's research¹ shows, most people regard the market as 'incredibly complex' and certain types of vulnerable households – particularly those with limited digital access, energy knowledge (or in our experience, English ability) – face even greater barriers to navigating it, so relying on people's ability to 'make choices' is unlikely to result in equitable outcomes.

¹ *U1/ESC 2020, *Customer Experience Research Report*, p.7: 'Most participants described the process of comparing billing structures as incredibly complex.'; 'Digital and energy literacy were influential factors in participant behaviours and their ability to make informed decisions'.

Do you think there are other goals or initiatives we should consider, within our scope of responsibility, that would better support consumers?

We encourage the Commission to consider the following two initiatives:

- **Enforcement of existing rules.** The payment difficulty framework provides good protections, but they are sometimes not provided in practice in our experience, particularly the obligations for retailers to help customers with URGS applications, provide tariff checks, and honour conditional discounts for participants on payment plans.
- **Ensuring the market itself does not create vulnerability.**

How well does the definition on page 18 align with the contemporary understanding of consumer vulnerability and its causes and impacts?

We do not believe the definition of vulnerability should be about people's ability to participate in markets; it should be about their ability to access the services they need at a fair price regardless of their abilities.

We are unclear whether the definition is intended to include the word 'markets' or not, as page 18 provides different versions of the definition, both with and without the word.

For further information about this submission, please contact: Damian Sullivan (e: [REDACTED] m: [REDACTED]) or David Bryant (e: [REDACTED] ph: [REDACTED]).

Yours sincerely,



Damian Sullivan
Principal, Climate Change and Energy