

19 June 2021

Submitted via Engage Victoria
Commissioners
Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne, VIC 3000

Dear Commissioners

2020 Getting to Fair – breaking down barriers to essential service – draft strategy

Uniting Vic.Tas. (Uniting) welcomes the opportunity to submit our response to the Essential Services Commission (the Commission) *Getting to Fair – breaking down barriers to essential service - draft strategy*. The following information is delivered as feedback and potential opportunities to improve the outcome for people experiencing vulnerability when accessing essential services, in particular the energy market.

Uniting is the community services organisation of the Uniting Church in Victoria and Tasmania. We have worked alongside local communities in both states for over 100 years. We deliver a broad range of services in the areas of crisis and homelessness, child, youth and families, alcohol and other drugs, mental health, disability, early learning, employment, and aged and carer services. We work across the full spectrum of community services, intervening early to help people avoid crisis, as well as supporting those who live life at the margins.

There are 3 key Commission initiatives that Uniting will focus our feedback on, which include:

1. We will **review the effectiveness of the payment difficulty framework**, incorporating the voices of consumers experiencing vulnerability.
2. We will hear the **voices** of consumers experiencing vulnerability to better **inform** our **reforms** and **monitoring** of the energy market.
3. We will use industry education to support better practice approaches for retailers and distributors to have a consistent understanding of vulnerability and how to better communicate with consumers experiencing barriers to access.

Uniting appreciates the Commission's work that has gone into developing the draft strategy as we believe that it gives an opportunity to reset and refresh the support mechanisms that are available to Victorian householders. Uniting believes that the Payment Difficulty Framework is a vital piece of regulation that has the right aim of ensuring support is targeted to those householders who are experiencing vulnerability.

There has been extensive consultation between the ESC and interested stakeholders which Uniting has participated in. The Commission deserves credit for the hard work bringing industry, government, and community organisations together to debate and discuss the appropriate responses to improving outcomes for those experiencing vulnerabilities.

New definition of vulnerability

The Commission's work on drafting a new definition of vulnerability is wholly supported by Uniting as it implicitly outlines that vulnerability is not reflective of the person, but is based around the structural or social barriers that negate a person from adequately navigating the energy market. This new focus on the barriers allows government, industry, and community organisations to work at finding solutions that will increase participation for those cohorts that are experiencing extreme, and sometimes entrenched, vulnerabilities. It helps to make the focus on the idea that we are all a part of the solution.

Initiative 1 – Review of the Payment Difficulty Framework

Uniting has some questions related to the review of the Payment Difficulty Framework (PDF); namely that we don't think a review of the PDF can be undertaken until there is widespread and consistent application of the support mechanisms in the framework across and within energy retailers. Also, the application of the supports within the PDF shouldn't be solely delivered through energy retailer hardship programs; all energy retailer customer-facing staff need to know when and how to offer the PDF support mechanisms for any customer that is found to be experiencing financial distress.

Uniting runs numerous energy support programs for Victorian householders who struggle to advocate for themselves, and we have regular experiences where energy retailer staff don't follow the support mechanisms outlined in the PDF. Our experience also includes examples where a call centre or hardship program staff member isn't aware of the PDF supports they should be offering customers, and when our team hang up and call back, we then get another staff member who better understands the PDF supports and how they can be implemented. Without an advocate, this interaction can cause a poor customer experience where the customer disengages with the energy retailer, causing the potential for the current financial issue to become entrenched and difficult to recover.

Uniting welcomes a review of the effectiveness of the payment difficulty framework; however, we are concerned that the outcomes of the review may not reflect the true effectiveness of the PDF while it is not applied consistently by energy retailers. Uniting would request that the review focus on the implementation of the framework across the energy sector before any review of the specific support mechanisms and the associated processes are undertaken.

Initiative 2 – Inclusion of consumer voice in areas of the Commission's work

Without the voice of the consumer in deliberations around actions or regulation that will impact their experience with the energy market, we will continue to repeat the mistakes of the past. Uniting fully supports the Commission's goal to be more inclusive of consumer experiences, especially in the design of new processes and regulations.

Uniting would like the Commission to be mindful of the setup of any processes involving consumers to ensure safety for participants and to encourage a space of equality and respect, ensuring that participants feel fully supported and appreciated for their time and effort. This should extend to appropriate reimbursement for their time and contributions, as well as anonymity where that might be appropriate.

Initiative 3 – Industry training and education and cross collaboration

Through the consultation process with the ESC to develop the draft strategy, it has been encouraging to see the collaboration and engagement of government, industry, and community representatives to develop stronger processes to support Victorians who are facing difficult times.

This collaboration should naturally extend to highlighting best practice strategies that deliver tangible outcomes to customers who would otherwise find it difficult to get the support they need. Uniting agrees that this initiative is important in reaching the goals stated throughout the draft strategy. Uniting is also keen to see energy retailer call centre staff (not solely those staff in hardship programs) participate in training to ensure consistent understanding of the PDF and when to apply it, and also to have a consistent understanding of the vulnerabilities customers might be faced with and the methods to mitigate those issues.

The training should be developed in consultation with government, industry, and community advocates to ensure all relevant stakeholders are invested in the process. The training program should be monitored by the Commission and delivered by a third party on an annual/biannual basis (for refresher training) and during induction for new staff. This program should not be delivered by internal energy retailer training departments. This will ensure independence, consistency of messaging across the sector and help to upskill call centre teams and improve outcomes for customers.

Uniting acknowledges the work done by the Commission to develop the draft strategy and appreciates the support the Commission provides to Victorian households that are going through difficult times. Uniting also appreciates the opportunity to discuss our feedback through this process, and we hope it delivers the necessary improvements to support those householders who experience barriers to fully participating in the energy market.

Uniting would also like to endorse the comments and feedback that have been generated in the VCOSS submission – Uniting has had multiple opportunities to consult with VCOSS around the Commission’s draft strategy. These conversations have allowed both organisations to coalesce our recommendations for the Commission’s draft strategy.

Uniting would welcome the opportunity to meet with you so please contact **Anna Matina** on [REDACTED] or [REDACTED] if you would like to discuss this feedback in greater detail.

Yours sincerely



Anna Matina
Group Manager, Community Development