

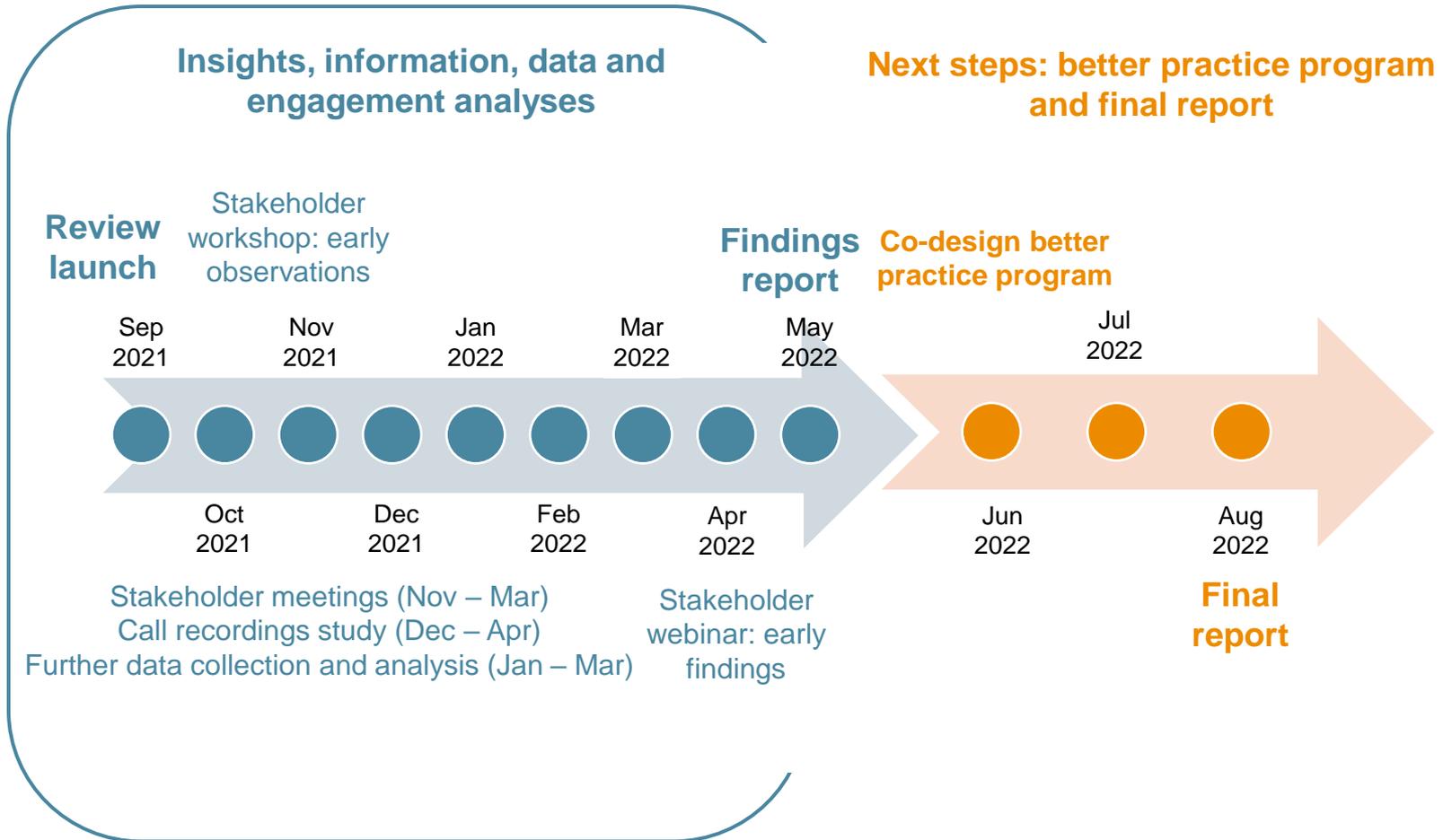
Payment difficulty framework review

Preliminary findings
webinar
7 April 2022

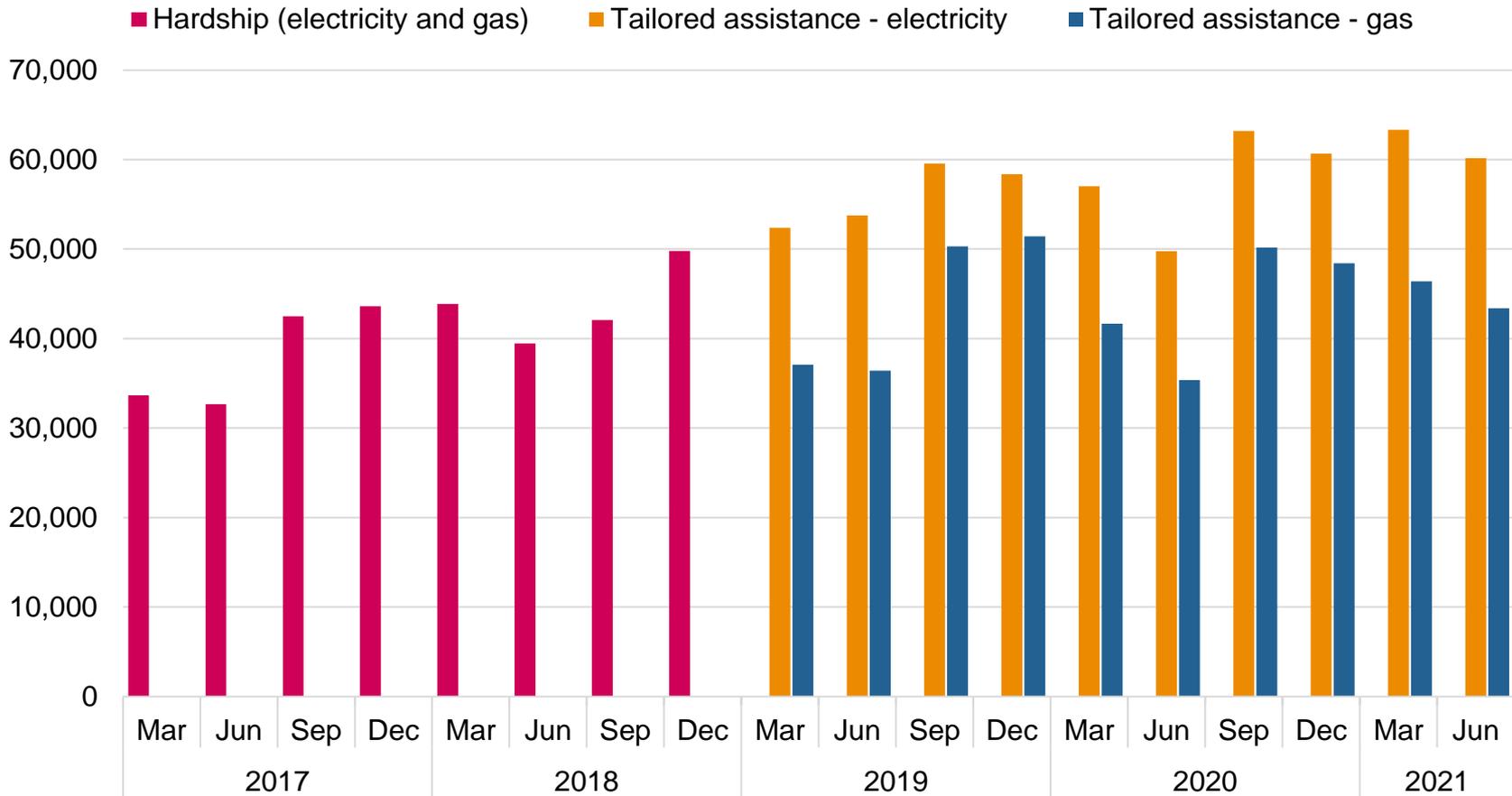
Presenter: Aaron Yuen



Our review timeline and next steps



More customers receiving assistance and that assistance appears to be more appropriate



More customers receiving assistance and that assistance appears to be more appropriate

Based on consumer experience, we heard there are:

- clearer structured plans, flexible for customers
- decrease in pressure from retailers for unaffordable payment plans
- increase in customer awareness
- framework has increased awareness within retailers of customers experiencing vulnerability.

Consumer experience and feedback:

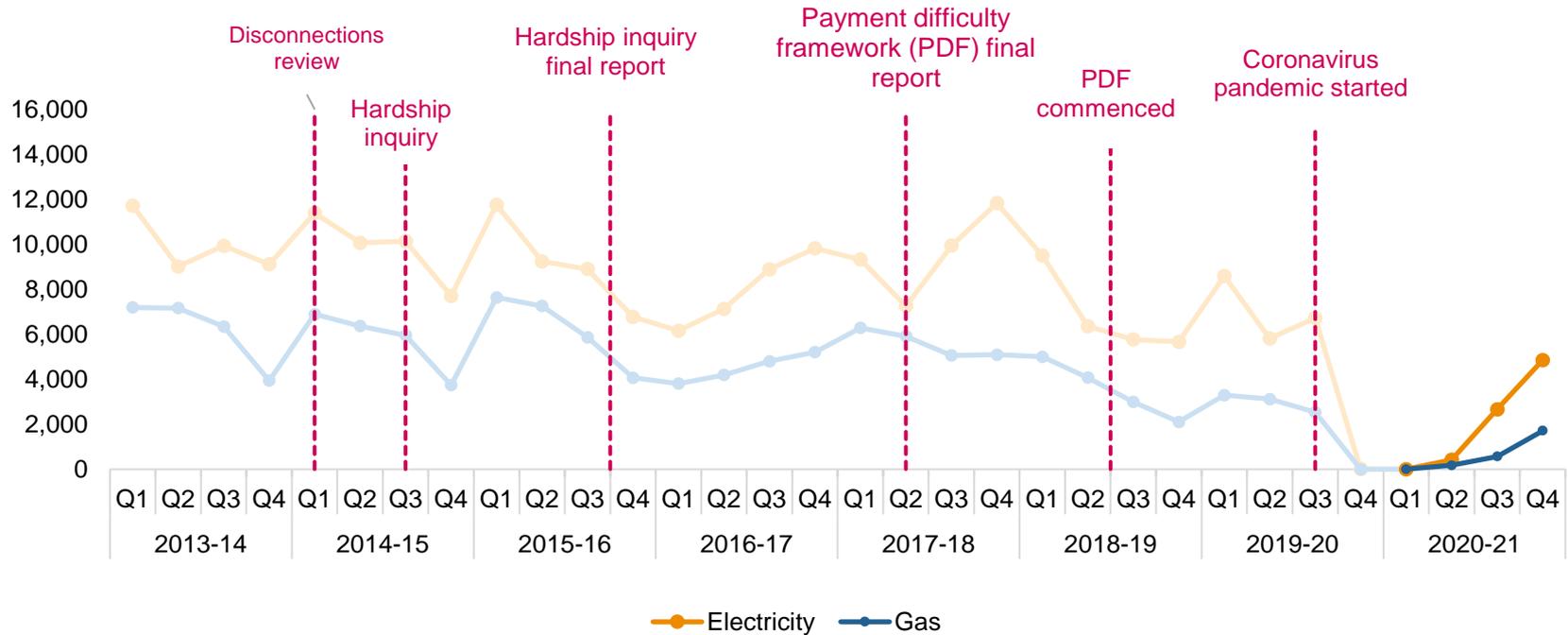
- Consumer Policy Research Centre 2021: Consumer experiences following energy market reforms in Victoria
- Consumer Action Law Centre 2021: Energy Assistance Report 2nd edition
- Energy and Water Ombudsman 2020: Missing the Mark

Stakeholder engagement feedback:

- Submissions to the review
- November workshop feedback
- Feedback from 'Getting to Fair'

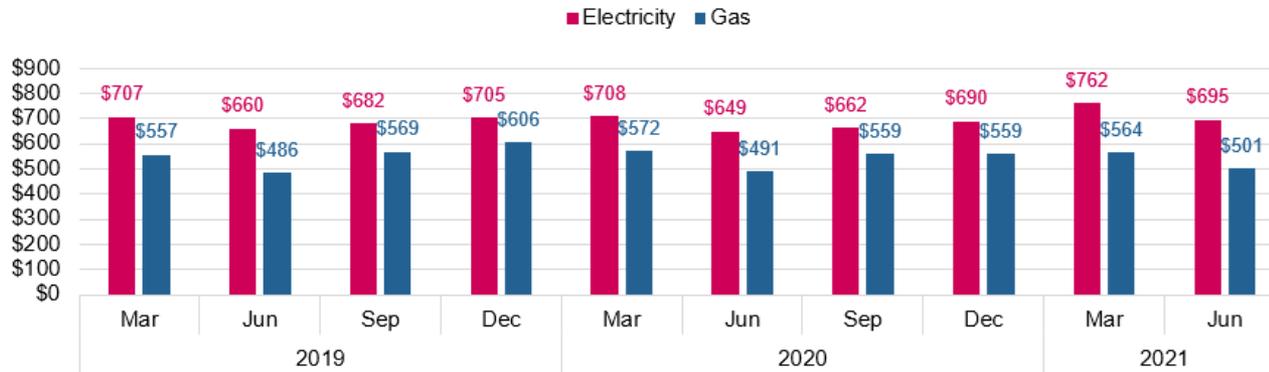
Disconnections remain below levels prior to the framework

Disconnection of residential customers for non-payment
(All retailers)



Framework appears to be supporting customers who can pay for their ongoing use

Average arrears of customers receiving tailored assistance who can pay ongoing use



Average arrears of customers receiving tailored assistance who cannot pay ongoing use



Identified successes

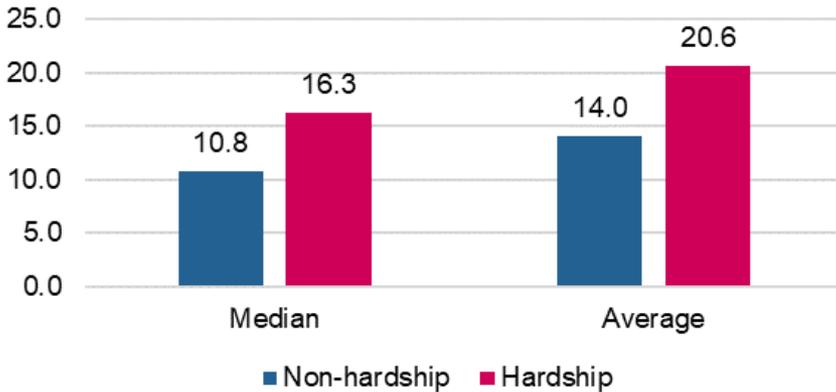
- More customers receiving assistance, and that assistance appears to be more appropriate:
 - clearer structured plans, flexible for customers
 - decrease in pressure from retailers for unaffordable payment plans
 - increase in customer awareness
 - framework has increased awareness within retailers of customers experiencing vulnerability.
- Disconnections remain below levels prior to the framework, and
- Framework appears to be supporting customers who can pay for their ongoing use.

High energy costs and usage despite standard and practical assistance measures

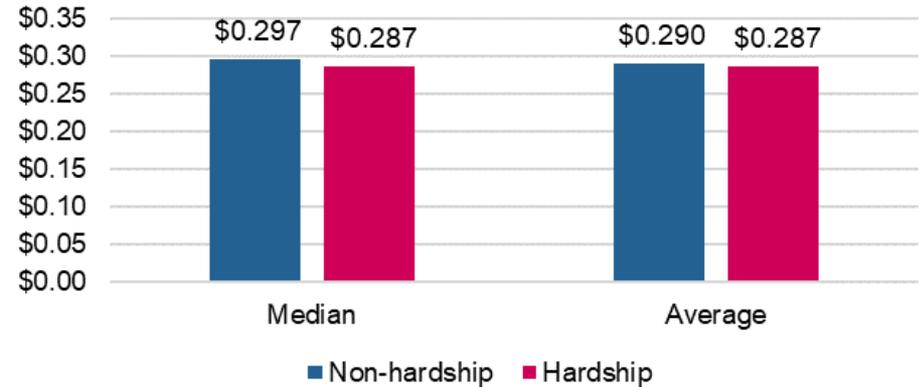
Customers receiving assistance consume more energy, but paying slightly less per unit of energy

(based on invoice data as submitted to the commission. cost per kWh are indicative only and refer specifically to usage charges)

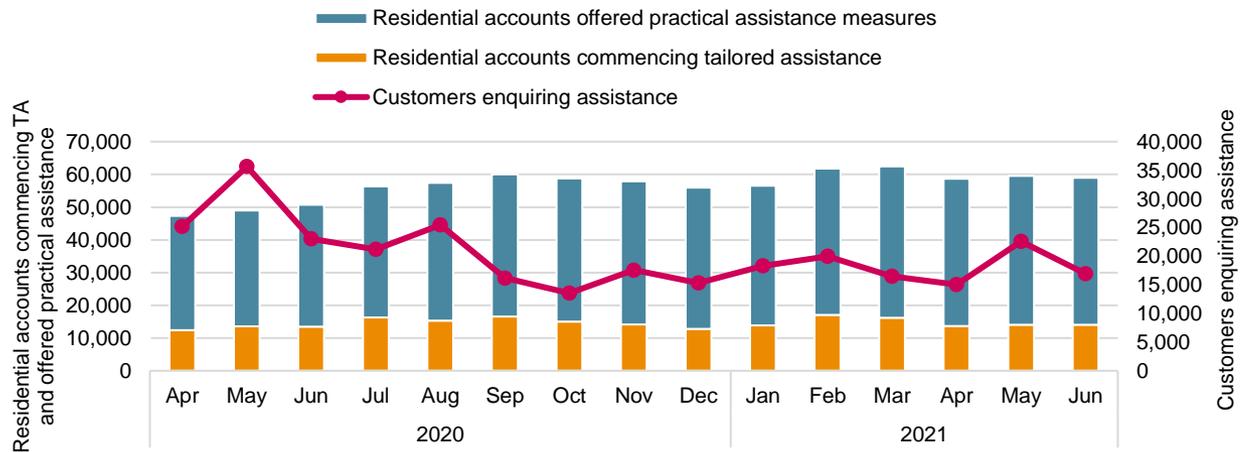
Usage per day (kWh)



Cost per kWh

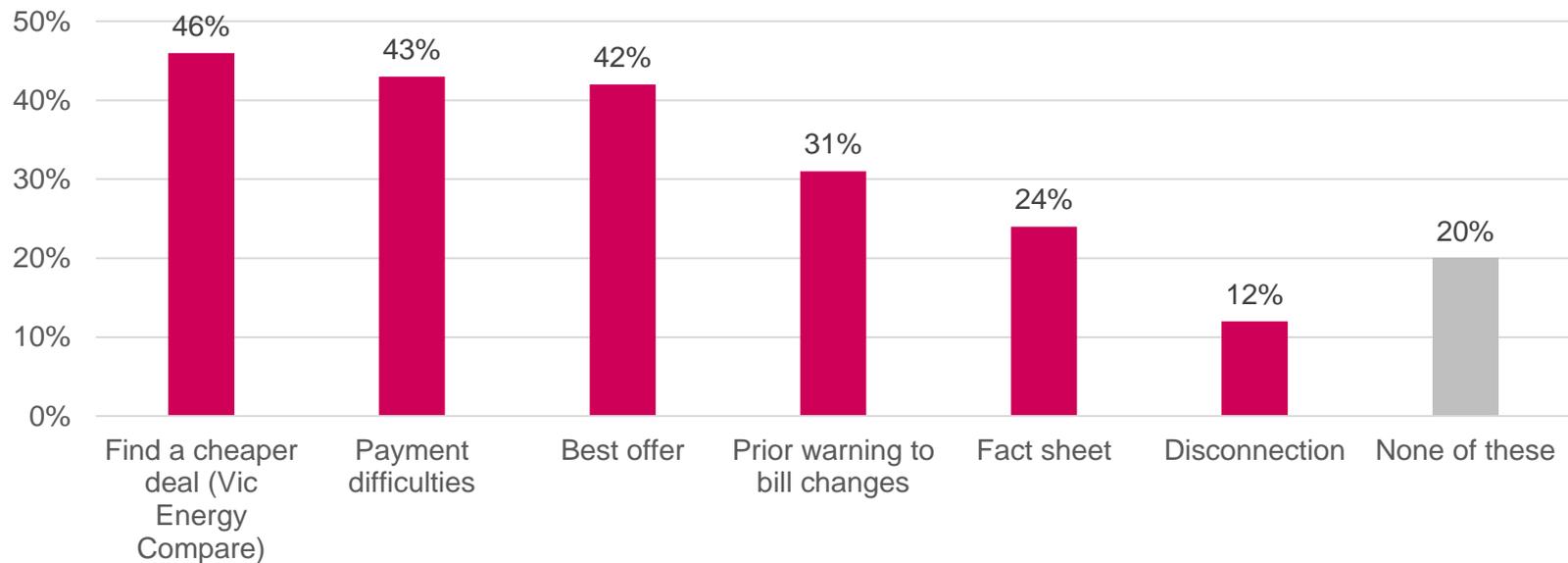


High number of customers being offered practical assistance measures



Consumer awareness, barriers and underlying financial position

Proportion of surveyed customers' awareness of individual's rights
(Consumer research conducted by Honeycomb)

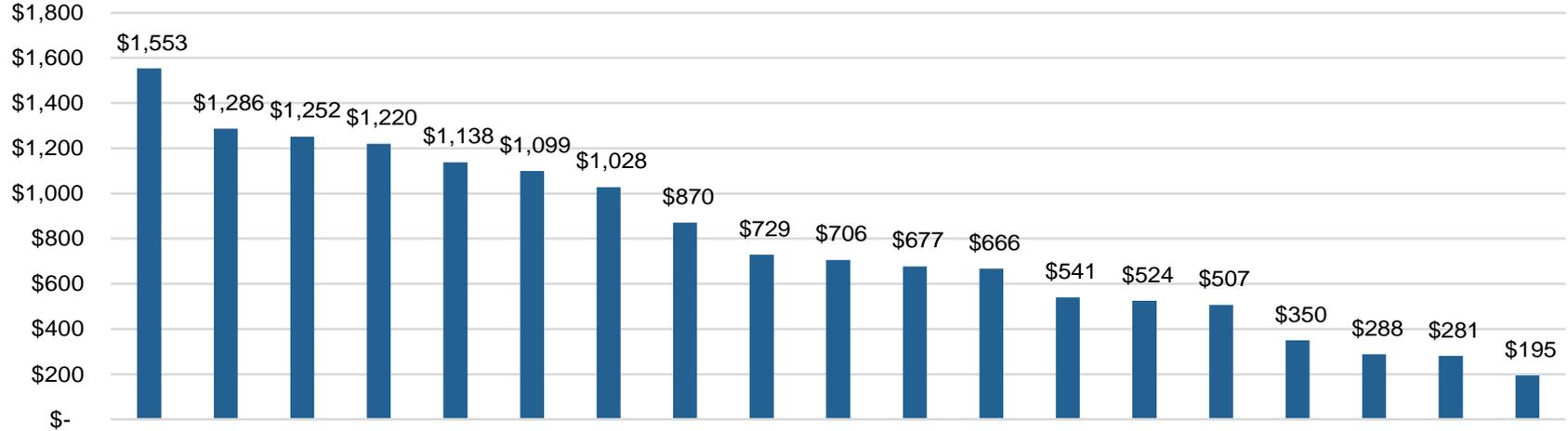


- CALD households also often appear to be unaware of regulations or initiatives that are designed to help them (CPRC 2021)

An example of variation across retailers

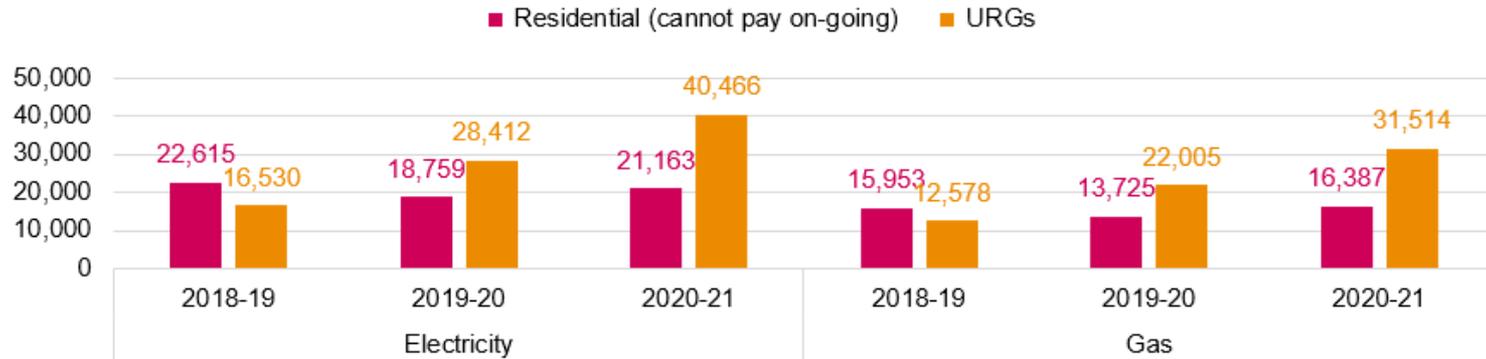
Average arrears when commencing tailored assistance

(electricity customers who can pay on-going usage, 2020-21, by retailer, non-identified)

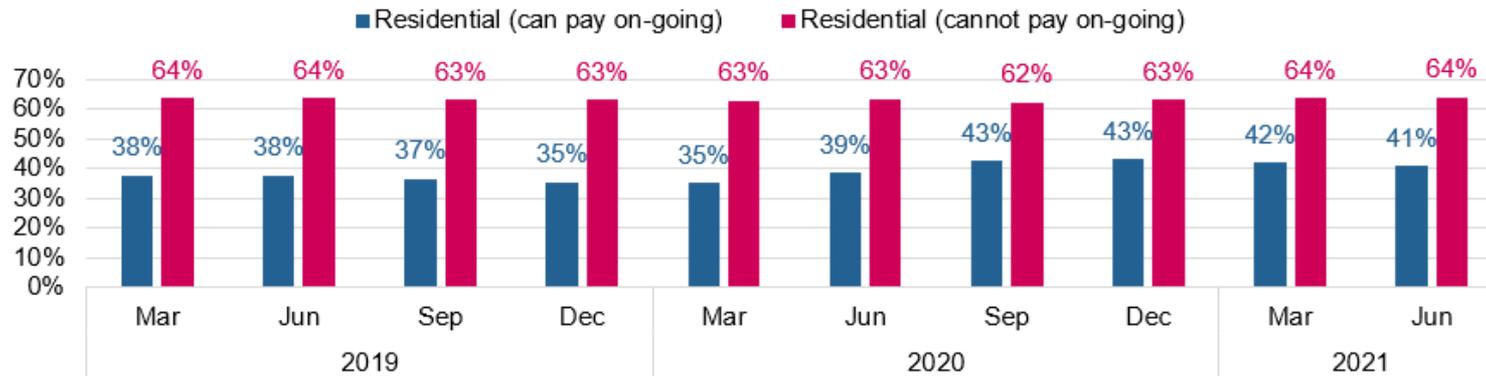


Concessions and tailored assistance

Number of utility relief grants and tailored assistance (who cannot afford ongoing use)



Percentage of electricity customers on tailored assistance receiving an energy concession



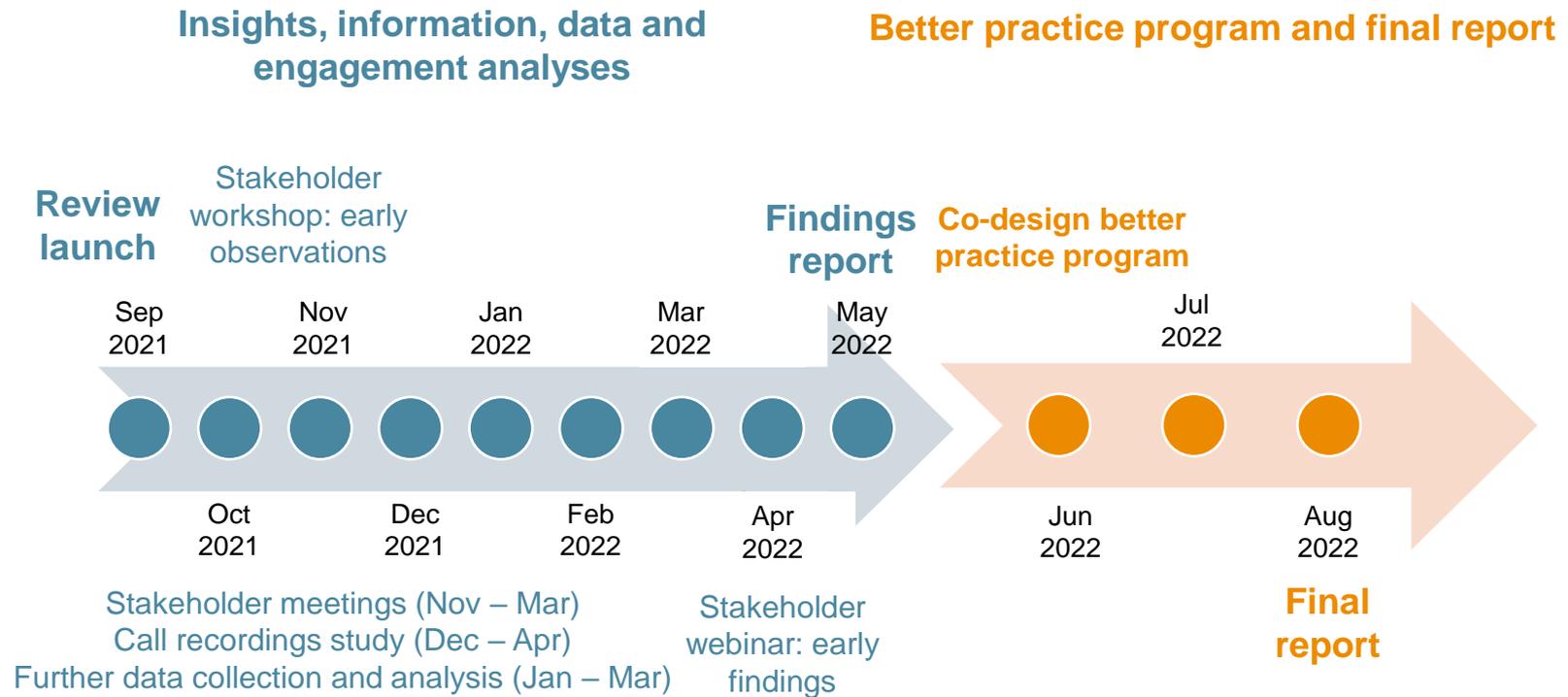
Possible priority areas for improvement?

- Energy consumers' awareness and knowledge of their entitlements varies
 - Customers experiencing vulnerability are disproportionately experiencing barriers to receiving assistance
 - Assistance offered by the framework may not best support some customers who cannot pay for their ongoing use
-
- The appropriateness and timing of retailer communication with customers varies
 - Retailer's use of discretion in delivering payment plans varies
 - The level of empathy from retailer staff can affect customers getting assistance
-
- Lowering energy costs and usage are also key to supporting customers
 - Many customers have higher arrears, despite standard assistance aiming to avoid getting into arrears
-
- Concessions and utility relief grants can be more effectively provided to customers as part of payment assistance
-
- Opportunity for possible improvements to monitor and assess the implementation of the framework on an on-going basis

Discussion questions

Is there anything missing?
What should be a priority?

Next steps



Payment difficulty framework review

Preliminary findings webinar, 7 April 2022 participant poll results

70 of 88 webinar participants voted on the ten priority areas presented during the first part of the webinar. These results are presented in descending order from most voted on to least voted on.

Poll results

What do you think are the top five priority areas for us?	Number of votes (out of 70 voters)	Proportion of votes
Assistance offered by the framework may not best support some customers who cannot pay for their ongoing use	46	66%
Many customers have higher arrears, despite standard assistance aiming to avoid getting into arrears	45	64%
Concessions and utility relief grants can be more effectively provided to customers as part of payment assistance	41	59%
Energy consumers' awareness and knowledge of their entitlements varies	38	54%
Customers experiencing vulnerability are disproportionately experiencing barriers to receiving assistance	37	53%
Lowering energy costs and usage are also key to supporting customers	37	53%
The level of empathy from retailer staff can affect customers getting assistance	28	40%
Opportunity for possible improvements to monitor and assess the implementation of the framework on an on-going basis	23	33%
Retailer's use of discretion in delivering payment plans varies	19	27%
The appropriateness and timing of retailer communication with customers varies	16	23%

Screenshot of zoom poll as presented in the webinar

Start of event poll

Poll | 1 question | 70 of 88 (79%) participated

1. What do you think are the top five priority areas for us? (Multiple Choice) *

70/70 (100%) answered

