



REF: SUBMISSION TO NEW REQUIREMENTS FOR ENERGY BILLS

05 October 2018

Essential Services Commission
Level 27, 2 Lonsdale Street
Melbourne, Victoria 3000

To the Essential Services Commission,

I am writing to provide CISVic's feedback to your draft decision: '*Building trust through new customer entitlements in the retail energy market*'.

Community Information & Support Victoria (CISVic) is the peak body representing local community information and support services. Our local services assist people experiencing personal and financial difficulties by providing information, referral and support services, including Emergency Relief. CISVic is currently the lead agent in a Consortia of 29 members delivering Emergency Relief (ER) services from 39 sites across metropolitan Melbourne, regional Victoria, and NSW.

Firstly, I would like to congratulate the Commission on its comprehensive review of the electricity and gas retail markets in Victoria. We believe that you have listened to the sector representing energy customers, particularly those who experience energy-related financial hardship. Changes to the energy retail market are urgently needed to address the widespread difficulties for many struggling to pay their bills, which our agencies witness every day.

While we strongly support most proposals in the draft decision, we also believe that some of them need to be changed to better protect vulnerable customers. These relate to: the frequency at which the best offer appears on bills (No. 7), the notice period for bill changes No. (16), and exemptions from the need to issue a bill change notice (No. 17). Our feedback to these and other proposed measures is provided over page.

Thank-you for considering this feedback. Please feel free to contact me if you require any more information.

Yours Sincerely,

Kate Wheller
Executive Officer

Community Information & Support Victoria

ESC Draft decision	CISVic response	CISVic comment
1. Best offer entitlement	Strongly support	Currently many customers are struggling to pay their energy bills and will benefit from being properly informed about best offers available.
2. The definition of best offer	Strongly support	
3. Estimating a customer's usage and the application of discounts and concessions when determining the best offer	Strongly support	CISVic agrees that the retailer should apply all unconditional and conditional discounts when determining the best offer. Offers with restrictions should be included, but with clear communication about these restrictions.
4. Presentation of the best offer on bills	Strongly support	CISVic endorses the ESC proposal for presentation of best offer on bills, particularly locating a savings estimate immediately adjacent to the amount due in a prominent position.
5. Clear advice entitlement	Strongly support	CISVic agrees that customers need to have very clear advice about the dollar cost implications of all terms and conditions when they enter a contract. This would help prevent vulnerable people being financially disadvantaged and exploited due to a lack of awareness or understanding.
6. Scope of the new best offer obligation	Strongly support	
7. Frequency at which the best offer appears on bills	Recommend change to frequency	CISVic believes best offer messages should appear on bills at a minimum of <u>quarterly</u> , rather than every six months. CISVic agencies see many people seeking emergency relief due to a lack of ability to pay energy bills. For these people, change to a best offer could bring significant relief. We believe they should not have to wait six months to be informed of these.
8. Dollar threshold for determining best offer	Strongly support	CISVic agrees that for an offer to be deemed a 'best offer' it must result in an estimated saving of \$22 - <i>or less</i> . Certainly the threshold should not be set higher, as \$22 is a significant amount of money for many people struggling to cover basic living expenses.
9. How long a best offer must be valid for	Strongly support	CISVic believes that it is very important for customers to have 13 business days to accept a best offer, from issuing of the bill where the best offer appears, and that this should be rigorously enforced.
10. Additional information to appear on bills	Strongly support	
11. Bill change notices	Strongly support	
12. Minimum requirements for information to appear on bill change notices	Strongly support	

ESC Draft decision	CISVic response	CISVic comment
13. Manner and form of bill change notices	Support	
14. Delivery of bill change notices	Strongly support	
16. Notice period	Recommend change to notice period	CISVic believes that retailers should notify customers of a bill change a minimum of <u>13</u> days before a benefit or price change takes effect. Not only would this be fairer and more reasonable, it would be consistent with the time period for availability of a best offer. (See 9 above).
17. Exemptions from the need to issue a bill change notice	Recommend change to exemptions	CISVic believes it is <i>crucial</i> for retailers to alert customers when there is a change to billing that would require customers to pay more for their energy, even when this increased amount is due to changes in government concessions.
18. Prices to be expressed in GST inclusive terms only	Strongly support	