

'Supporting energy customers through the coronavirus pandemic' draft decision

Submission received from a financial counsellor via email

Re Essential Services Commission Supporting energy customers through coronavirus pandemic – page 17

Thanks so much for today's session. A point that needs clarification regarding URGs criteria.

It is my understanding that refugees, students and temporary migrants can be assisted with URGs as long as they provide DHHS with evidence of their income ie) bank statement for the past three month.

In addition I have drafted a letter of support for client's who have not strictly address eligibility criteria to assist their application regarding an URGs.

A general comment regarding URGs applications. In many cases the \$650 limit per each utility account over 2 years is an insufficient sum to significantly reduce a client's indebtedness to a retailer. Many affordable payment plans do not currently cover a client's energy consumption. I am concerned that that in desperation clients may switch or "self disconnect" from one retailer leaving behind an insurmountable debt. Even though clients may have switched to an alternative retailer they are still lumbered with a large debt that they cannot pay.

It is my experience that retailers will not generally waive these old debts for impecunious clients. Admittedly some retailers will assist clients in these circumstances, however this outcome is rarely achieved by advocates.

This situation could be avoided in part if the URGs limit was greater and retailers could assist with waiving large debts before their customers seek an alternative source of supply. Perhaps in special circumstances the URGs allocation could be increased.

I have worked as financial counsellor for many years and have experienced first hand how client have benefitted from URGS a great initiative. Clients can experience intermittent issues with payment of electricity, gas and water accounts and some struggle chronically. This situation will only be exacerbated in the current economic climate.

It would be wonderful if in some instances an URGs application could be used to "clean the slate"(not a capped sum) of people's accounts that in reality can never be paid in full as a consequences of low income. Clients are currently on affordable payment arrangements and their

consumption of energy cannot realistically be reduced. In the Western suburbs many low income families live in private rental accommodation and people cannot afford to make these properties more energy efficient. Older people often report they prefer to simply stay cold or hot to reduce their energy accounts.

While gas, electricity and water are acknowledged as an essential services there needs to be a comprehensive safety net in place that prevents people from accumulating large debts that cause stress and the potential consequences of bad debts.