



Promoting opportunities. Protecting rights. For older Victorians.

COTA Victoria and Seniors Rights Victoria

Energy Retail Code of Practice Review

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November 2024

COTA Victoria is supported by financial assistance from the Commonwealth and Victorian Governments.

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1 About us

Council on the Ageing (COTA) Victoria is the leading not-for-profit organisation representing the interests and rights of people aged over 50 in Victoria. For over 70 years, we have led government, corporate and community thinking about the positive aspects of ageing in the state.

Today, our focus is on promoting opportunities for and protecting the rights of people 50+. We value ageing and embrace its opportunities for personal growth, contribution, and self-expression. This belief brings benefits to the nation and its states alongside communities, families, and individuals.

Seniors Rights Victoria (SRV) is a program of COTA Victoria and the only state-wide community legal centre dedicated to advancing the rights of older people and the early intervention into, or prevention of, elder abuse in our community.

SRV has a team of experienced advocates, lawyers, and social workers who provide free information, advice, referrals, legal advice, legal casework, and support to older people who are either at risk of or are experiencing elder abuse. SRV supports and empowers older people through the provision of legal advice directly to the older person.

2 Submission

We welcome the opportunity to provide a submission to the Essential Services Commission's (ESC) Energy Consumer Reforms Discussion Paper. We would like to commend the ESC for their work and endorse their outlined objectives.

As detailed throughout COTA Victoria's submission, our overarching recommendation is to include a specific commitment toward achieving equity among diverse groups within the broader population of those disadvantaged or struggling to pay. This emphasis on equity could open the door more explicitly to complementary solutions that address various specific challenges, such as age, disability, language barriers, and digital exclusion.

In the last year, COTA Victoria has undertaken consultation and research projects¹² to better understand the energy needs and concerns of older Victorians. Our consumer research highlights a range of issues that affect older Victorians' ability to manage energy bill payments and inform our recommendations.

Drawing on this research, COTA Victoria identified four key trends relating to energy security and the transition to cleaner energy within the population of older Victorians.

¹ Council on the Ageing (COTA) Victoria. (2024, October 22). *New report offers older Victorians' perspectives on the changing energy landscape*. COTA Victoria. Retrieved November 25, 2024, from <https://cotavic.org.au/news/media-release/new-report-offers-older-victorians-perspectives-on-the-changing-energy-landscape/>

² Council on the Ageing (COTA) Victoria. (2024, January 24). *AusNet COTA Victoria \$30,000 grant to study the energy transition impact on older Victorians*. COTA Victoria. Retrieved November 25, 2024, from <https://cotavic.org.au/news/media-release/ausnet-cota-victoria-30000-grant-energy-transition-older-victorians/>

These are as follows:

- COTA Victoria found that utility bills represent the single largest category of expenses that older people struggle to pay, impacting 11% of the older Victorian population.
- In addition to financial strain, there are significant trust-related concerns. Older Victorians frequently express suspicion regarding unsolicited outreach from energy retailers, often viewing such contact as confusing or overly promotional. In line with this, there is a strong preference for clear, factual information to support decision-making about utility plans, with many wanting straightforward, unbiased information rather than persuasive messaging.
- Many older individuals harbor fears about potential risks associated with changing plans, such as the possibility of losing existing benefits or concessions. Although energy concessions and rebates are highly valued and can motivate change, older Victorians often feel reluctant to inquire about or request these discounts directly, even when eligible.
- These findings underscore the importance of clear, accessible information and a respectful, fact-based approach to communication, which could better support older consumers in navigating their energy needs and options.

In reflection of these key trends, COTA Victoria proposes the following recommendations and actions in line with the five areas of proposed reform.

2.1 Reform 1: Automatic best offer for customers experiencing payment difficulty

We support the goal of ensuring that customers experiencing payment difficulty are offered the best possible deal from their current energy provider before considering switching to a new supplier. It is essential, however, that customers retain a sense of agency in this process.

Providing informed consent — where customers are made fully aware of the terms and conditions — should be central to any automatic switching model. This approach would allow a seamless transition to a better offer without changes to other contract conditions, preserving consumer control over their energy choices.

While using a benchmark level of arrears may be practical for identifying customers in need, an arbitrary threshold could ignore critical aspects of individual household circumstances. For instance, we know some older people will change their energy use behaviour over energy cost concerns, potentially excluding them from necessary support and intervention³. Another potential approach might involve allowing customers in debt to be retrospectively placed on the best available offer. This would provide equitable support to those who may not have been actively involved in switching but still require assistance.

³ Council on the Ageing (COTA) Victoria. (2023, April). *Submission response to the Victorian Default Offer 2023–24*. COTA Victoria. Retrieved November 25, 2024, from <https://cotavic.org.au/wp-content/uploads/2023/04/Submission-response-to-the-Victorian-Default-Offer-2023-24.pdf>

2.2 Reform 2: Improving the ability to switch to the best offer

Older customers often perceive switching to a better energy deal as an effort that may outweigh the potential savings, fearing that costs or complications might arise. Therefore, an outcome-based approach to switching providers or plans, that provides flexibility and a personalised experience, seems preferable over a highly prescriptive model. Doing so would continue to allow for consistency across providers.

To enhance effectiveness, it would be beneficial to engage community resources such as peer educators or community advocates who can assist older customers in understanding the benefits and processes of switching. This would relieve retailers of the sole responsibility for educating customers and foster a trusted environment where customers feel supported in making informed decisions.

2.3 Reform 3: Improving the application of concessions to bills

We appreciate ESC's focus on making energy concessions more accessible, particularly for older customers who often hesitate to apply due to stigma or reluctance. To counter this, concession applications should be presented as a normal and accessible option for eligible customers, with language adjusted to reduce the perception of "claiming" a benefit. A proactive stance from retailers is valuable, though it should be presented as a standard feature rather than a special favour.

Furthermore, ensuring that all relevant concessions and rebates are available in a cohesive, integrated manner is critical, as many eligible customers may be unaware of the various programs available to them. A previous survey process we ran with older Victorians on concessions saw a quarter of respondents identify issues around awareness and another quarter highlight concerns around accessibility. Addressing the fragmentation of these concessions within the system could greatly enhance accessibility and ensure that no qualifying customer misses out on available support.

2.4 Reform 4: Extending protections for customers of legacy contracts

Older customers, particularly those on legacy contracts, often have heightened concerns about losing existing benefits, even if it means they may be paying a higher base rate. Many older customers also prefer traditional payment methods and do not use direct debit or other digital payment options. This reliance on conventional methods should not place them at a disadvantage, so prohibiting discounts tied exclusively to direct debit or similar methods would be appropriate.

Further, limiting conditional discounts to only "reasonable costs" may not fully respect customers' rights to choose payment options and timelines that suit their circumstances. A fairer approach would protect diverse payment preferences, while ensuring that all customers receive equal treatment without undue financial penalties.

2.5 Reform 5: Improving awareness of independent dispute resolution services

The proposals to improve access to independent dispute resolution services are beneficial, but it is important to ensure that information about these services is accessible to diverse groups, with a focus on clarity and inclusivity. Information about accessing the Energy and Water Ombudsman Victoria should be readily available in formats that accommodate the needs of all consumers, including older Victorians.

Additionally, community agencies and advocacy organisations that represent older populations could play a valuable role in promoting awareness and supporting access to dispute resolution. A facilitated or assisted call system could be introduced to ease the process for customers who may require additional support, helping them navigate any disputes with greater ease and confidence.