

# Energy payment difficulty framework review

## Engage Victoria submission

Between 2 and 19 September 2021 we received submissions to our questions about the approach we proposed to take for this review. These questions are highlighted in blue.

**Submission written by: Energy Australia**

**Date submitted: 17 September 2021**

### 1. How would you like to participate in the review?

Attend focused workshops	<input checked="" type="checkbox"/>
Participate in one-on-one interview(s)	<input checked="" type="checkbox"/>
Have a discussion with the project team	<input checked="" type="checkbox"/>
Provide a written submission	<input checked="" type="checkbox"/>
Other / comments	

### 2. What have you observed about the experience of customers in payment difficulty in the last two to three years?

The negative impacts from the COVID pandemic and the state and federal regulatory initiatives to counter them, have limited the ability to clearly identify the impacts the Payment Difficulty Framework has had on Victorian customers.

Broadly, EnergyAustralia has seen fluctuations in customer participation to our hardship program, EnergyAssist, the total debt when entering the program, and the affordability of payment plans when on the program. The fluctuations have aligned with extended lockdowns, but somewhat surprisingly, the comparison of average debt and participation in EnergyAssist is similar to pre-COVID.

Some additional insights:

- Receipt of the bill or collection notice is the key driver for engagement, not when a lockdown commences.
- We are experiencing minor increases in small business customers requesting payment plan support, aligned with the increased protections required via the ESC's statement of expectations.
- Stay at home orders are increasing consumption, with the impact of COVID we are seeing more customers go on under usage plans, up 12% Year-on-Year."

3. We have access to existing data, customer insights, and publicly available case-studies relating to the framework. Is there any other data, insights or research we should also consider?

EnergyAustralia believe there is merit in reviewing the pandemic impacts of customers in other industries, with a particular focus on how these industries (banking, telco, etc) have performed and whether regulatory intervention was required, and the impact it had.

Additionally, it would be useful to review how energy retail customers outside Victoria have compared during the period the PDF has been active. With allowance provided for COVID and the increased protections required under the AER's Statement of Expectations, the comparison should focus on how vulnerable customers have fared with and without the protection of the PDF.

4. Are our key review questions appropriate for the review?

EnergyAustralia believes the questions posed are an appropriate starting point for the review. We appreciate the ESC's view that the PDF has not operated for long enough to garner the required data to support changes at a holistic level, predominantly as any data would be limited based on the impacts of the COVID pandemic; however, EnergyAustralia believes it would be remiss of the ESC to limit the scope of the review to only concerns on the implementation of the framework, as there will be some elements of the framework that have robust data identifying issues or discrepancies from the intent on the initial reforms.

Areas that should be considered within the review include:

- Retailers' ability to manage the risk of increasing debt from customers that are not participating/engaging; and,
- ESC guidelines outlining the sequential processes of customer journey and disconnection for non-payment.