

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: VCOSS

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	VCOSS welcomes the ESC's thoughtful approach to providing a range of options for ongoing stakeholder participation in this important review. At a minimum, VCOSS recommends that short updates on the review be provided as a standing item at future ESC community sector roundtables. In addition, the project team could consider adapting a "drop-in" stakeholder information-sharing technique from "agile" project management. Specifically, VCOSS recommends trialing a 30-45min meeting on a regular cycle, e.g. every three weeks, that would be open to both internal and external project stakeholders. These meetings could complement, or be an alternative to, a traditional "stakeholder reference group". They would be an efficient way of seeking informal and ongoing feedback on work-in-progress, while enabling cross-cutting information-sharing. Finally, VCOSS staff are always willing to assist the ESC in unpacking relevant issues from a community sector and systems-level perspective. VCOSS would also be open to exploring possible options for the ESC to seek input/feedback through an item at an existing VCOSS-convened sector network or forum.

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

As the peak body for the social services and community sector in Victoria, VCOSS' observations are based on (1) system-level reflections, and (2) common themes from our

ongoing relationships with community sector organisations (and their workers and supported communities).

One system-level observation particularly relevant to this review is an apparent disconnect between the key PDF requirement for retailers to contact customers when arrears first occur (the \$55 trigger for tailored assistance) and the average arrears for those customers are on a payment plan but cannot afford ongoing usage (\$1,449, as of July 2021).

How well this important early-intervention safeguard is working in-practice warrants detailed investigation.

In terms of common themes from our ongoing community sector relationships, at this stage in the review process we re-emphasise the overarching message we heard at our member consultation in June this year (in preparing our response to the ESC's draft consumer vulnerability strategy).

In short, while there was a broad consensus that the current rules are generally sound, attendees expressed a real frustration with retailers behaving inconsistently. As a result, frontline workers don't trust retailers to follow the rules. They also worry that clients aren't accessing available help because they don't know the "magic words" to be put through to the right support team.

These enduring concerns highlight the need for ongoing information and education campaigns to support effective implementation of the framework, particularly for households in vulnerable circumstances. The review could identify how this ongoing systemic need could be met. It could also explore how relevant consumer campaigns across sectors could be better refined, coordinated and/or integrated with other energy market entitlements or consumer support services.

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?

VCOSS supports the ESC's proposed approach of fully utilising existing data and past reports, including those developed for the ESC's consumer vulnerability strategy. This initial stage should include making explicit how this review intersects with other ESC processes and projects, such as the 2019 audit of retailers' websites and the current retailer compliance reporting review.

While recognising that changes to the ESC's information-gathering powers are currently the subject of a bill in Parliament, in collecting relevant material VCOSS would also encourage the ESC to consider the full range of powers currently available to it in informing this work (i.e. not limit itself to making voluntary requests from retailers).

Additionally, VCOSS welcomes the ESC's intent to gather consumer experiences directly. Recognising that retailers hold both aggregate customer data and case-level records relevant to their implementation of the PDF, one other option could be to work-backwards from a sample of National Debt Helpline files and EWOV cases. This could also include a systematic review of retailers' current call centre scripts, the relevant KPIs of staff (including responsible senior executives), and random samples of recordings.

Finally, and reflecting on the discussion of this review at the most recent community sector roundtable, one possible ""success measure"" for this work could be that it helps establish an improved basis for the ongoing assessment of the PDF's impact. The ESC should invest the time needed to bring diverse stakeholders together, possibly by convening a ""Chatham House Rule"" style cross-sector workshop, to interrogate the nature and causes of relevant data gaps. Multiple workshops might be required to [a] explore potential options to address ongoing information-sharing, separate to [b] identifying potential options to improve implementation in relation to specific PDF entitlements.

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

VCOSS appreciates the ESC's willingness to seek feedback on the appropriateness of the proposed review questions. This step helps establish a shared understanding of the scoping and framing of this overall project. It may also help the ESC to further refine areas for closer consideration.

At the outset, VCOSS notes that this review will invariably encounter some PDF design and other "non-PDF" issues (such as reforms to other government programs and policies) that are relevant to the operation of the framework. While recognising that the ESC has stated the review won't assess and address such issues, it should nonetheless capture them and identify potential next steps.

Overall, the proposed suite of questions is appropriate for this implementation review. In seeking insights on these questions, the ESC should seek detailed information from retailers on their ongoing implementation and continuous improvement efforts (including how they are measuring their capability-building and internal cultural change).

Finally, one additional question that the ESC may want to consider is to reflect on its compliance monitoring approach to-date, and identify any other ongoing compliance tools from comparable sector-specific regimes.

Again, this could be an opportunity to better integrate PDF-related information/reporting with other relevant ESC policies, such as the Energy Compliance and Enforcement Policy.