



Submission to Energy Retail Code of Practice review

Brotherhood of St. Laurence

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For further information or to discuss this submission, please contact:

Damian Sullivan
Principal
Climate Change and Energy, SPARC
Phone: 0405 141 735
Email: dsullivan@bsl.org.au

David Bryant
Senior Policy and Research Officer
Climate Change and Energy, SPARC
Email: dbryant@bsl.org.au

Victoria's protections for households in energy stress have led the country, but more should be done to ensure energy is affordable for all households, especially those facing disadvantage. The Brotherhood of St. Laurence (BSL) welcomes this opportunity to briefly comment on the Essential Services Commission (ESC)'s review of Energy Retail Code of Practice (ERCOP).

In your view, what aspects of the code of practice (if any) related to the Payment Difficulty Framework should be revised to better support consumers experiencing vulnerability or hardship?

Assistance should lower costs

One of the most useful forms of assistance for households struggling with bills is lowering the cost of energy, yet retailers often fail to provide this. The ACCC's recent survey highlights the breadth of the problem, with 41% of surveyed Victorian households paying above, or equal to, the Victorian Default Offer (ACCC 2023). In the current payment difficulty framework, retailers are not required to actively lower households' rates, and only to offer cheaper rates in the second stage of assistance, which not all households reach.

The Victorian code should be altered to require retailers to lower rates for people experiencing payment difficulty. If explicit informed consent is a barrier to formally moving offers, the ESC should consider requiring retailers to provide an unconditional discount equivalent to the retailer's best offer. Any changes in this area should seek to include people on legacy market offers.

The ESC should also consider ways to require retailers to provide more helpful energy efficiency advice to more households, which can also lower costs, preferably linked to existing grant schemes.

Retailers should be required to assist people proactively

People do not actively seek assistance for many reasons, such as being unaware it is available, not knowing the 'magic words' that prompt retailers to offer assistance, being busy, fear, and shame.

Retailers should be required to do more to overcome these barriers, and have an array of data that could be used to identify likely payment difficulty.

Staff should be trained

In our experience, people contacting retailers – particularly when they are having difficulty paying bills – have very mixed experiences between and within retailers. Staff are not always able to provide accurate information about, or access to, customers’ entitlements.

We support the ESC’s proposal to strengthen requirements for retailers to train staff to properly assist people experiencing payment difficulty.

References

ACCC 2023, ‘Inquiry into the National Electricity Market: December 2023 Report’.