

Submission in Energy Charter Signature Disclosures 2020

The Energy Charter Independent Accountability Panel

3 November

About ACOSS

The Australian Council of Social Service (ACOSS) is a national voice in support of people affected by poverty, disadvantage and inequality and the peak body for the community services and civil society sector.

ACOSS consists of a network of approximately 4000 organisations and individuals across Australia in metro, regional and remote areas.

Our vision is an end to poverty in all its forms; economies that are fair, sustainable and resilient; and communities that are just, peaceful and inclusive.

ACOSS views access to affordable, clean, reliable energy as essential: it is critical to the health, wellbeing, economic participation and social inclusion of people.

ACOSS also supports the imperative to reduce greenhouse gas emissions in line with global goals to limit warming well below 2 degrees and pursue a limit of 1.5 degrees. This is vital to limit climate impacts, noting that people on low-incomes will be affected first and hardest as they are least able to cope, adapt and recover. We believe the energy sector has the technology and community support to transition first and faster.

We note that ACOSS CEO, Dr Cassandra Goldie, is a member of the Independent Accountability Panel in her individual capacity and was not involved in preparing or finalising this submission.

About the Energy Charter

The Energy Charter (EC) is a voluntary commitment by some energy businesses to put the customer at the centre of their businesses and deliver better outcomes for them.

There are 19 member organisations (the "Signatories") spanning gas and electricity, generation, networks infrastructure and retailing, and government,

listed, and private ownership models. Details of each Signatory can be found at <https://www.theenergycharter.com.au/about/>.

Each year Signatories make disclosures on how they are tracking towards the commitments made to the five principles of the Energy Charter.

The [Energy Charter Independent Accountability Panel](#) assesses the disclosures and reports on findings

Summary

ACOSS welcomes the opportunity to make a submission to the Energy Charter Independent Accountability Panel on the EC Signatories FY2020 disclosures.

FY2020 was a tough year for people, communities and business as a result of devastating bushfires and COVID-19. Many people experienced energy stress for the first time on top of dealing with loss of property, jobs, income and other social, health and financial stressors.

While we saw some progress amongst EC Signatories toward meeting the principles set out in the Charter, the Signatories response to the crises were mixed.

Signatories responded to the bushfires together and individually quite quickly, forming a #BetterTogether initiative to share information, and provide additional resources and supports for affected customers. The response to COVID-19 on the other hand was slow, unclear, confusing and there was pushback to suggestions by consumer groups to work with consumers and develop an EC specific response.

Recent data shows that COVID-19 crisis is exacerbating energy affordability concerns as many people experience reduced income, increase in energy consumption and increasing energy and household debt.

This submission focuses primarily on immediate actions ACOSS would like Signatories to take in response to growing numbers of people experiencing energy vulnerability.

The submission ends with a request for Signatories to continue to make progress on the recommendations ACOSS outlined in 2019 and notes where we see partial progress being made.

Recommendations

Recommendation 1: Retailers implement an approach that treats customer statements in good faith

Recommendation 2: Retailers implement the Victorian Payment Difficulty Framework across all jurisdictions

Recommendation 3: Expand and improve training for staff to ensure a wider pool of staff have expertise and authority to provide early assistance measures

Recommendation 4: All retailers apply to AER for exemption to explicit informed consent rules to shift identified customers on to best offer,

including customers on hardship support programs, customers in receipt of government rebates, customers in receipt of emergency payments, and customers on payment plans or with accumulated debt

Recommendation 5: EC Signatories to **not proceed with disconnections** and work with consumer groups on possible solutions

Recommendation 6: If disconnections do recommence we urge networks and retailers to work together to provide a pre-visit service

Recommendation 7: Waive either fully or partially current customer debt, and commit not to sell debt to unregulated credit collection agents, or credit default list customers

Recommendation 8: EC Signatories sign up to the Raise the Rate for Good campaign

Recommendation 9: EC Signatories sign up to National Low-income Energy Productivity Program

Recommendation 10: Evaluate and modify disclosure review process in 2021 to enable greater consumer input

Recommendation 11: EC Signatories expand customer centred focus to include community centred focus

Recommendation 12: Progress recommendations from ACOSS 2019 submission in 2019.

Discussion

Signatories' responses to crises - bushfires and COVID-19 - has been mixed

Australia experienced unprecedented circumstances in the Energy Charter year 2 reporting period July 2019 to June 2020, in particular devastating bushfires and COVID-19. Many people experienced energy stress for the first time on top of dealing with loss of property, jobs, income and other social, health and financial stressors.

Responses to bushfires were positive

There were some positive responses from EC Signatories during the bushfires.

A number of retailers put bans on disconnections, deferred billing, debt and fee waivers, and extended times with customer service staff to bushfire affected customers.

AGL, Energy Australia and Powershop provided credits on energy bills to eligible volunteer firefighters and SES volunteers.

A number of Signatories also provided funds to support recovery of bushfire affected communities. For example, Powershop launched Power-it-Forward at the request of their customers, to raise funds to provide credits to bushfire affected customers. Energy Australia staff and business raised and donated funds. Endeavour Energy donated funds to bushfire recovery. ActewAGL provided grants to bushfire affected communities.

The EC #BetterTogether Bushfire Response initiative, was very welcome, and from all reports was important for information sharing between networks and retailers to support affected customers.

Responses to COVID-19 not so positive

As noted above, the Energy Charter and Signatories responded to the bushfires together and individually quite quickly, forming a #BetterTogether initiative to share information, and provide additional resources and supports for affected customers. The response to COVID-19 on the other hand was slow, unclear, confusing and there was pushback to the development of an EC specific response or #BetterTogether initiative.

The impact of COVID-19 on people's experience with energy

The impact of COVID-19 had and will continue to have a profound impact on people in Australia. Unemployment is set to exceed 1.3 million by end of 2020, and while the federal government acted in mid-March 2020 to temporarily double JobSeeker (formerly Newstart) and provide JobKeeper (both of which were reduced in September 2020), millions of Australians were receiving less income and 1 million (visa holders and international students) missed out on all government supports.¹ It is anticipated that the widespread impacts upon travel, tourism, accommodation, hospitality and entertainment industries, and those working in those industries, will continue for some time.

Because of lock-down and ongoing changes to work arrangements, millions of people have been working and studying from home, increasing energy consumption.

In October 2020, the ACCC reported that COVID has resulted in increased consumption of between 10-30% and consequently higher bills. ACCC Chair Rod Simms said:

The pandemic is exacerbating energy affordability concerns. At a time when many consumers are experiencing reduced incomes, increased electricity consumption could lead to rising household debt and financial strain.²

¹ <https://www.acoss.org.au/wp-content/uploads/2020/04/Who-misses-out-Briefing-ACCESSIBLE-FINAL.pdf>

² <https://www.accc.gov.au/media-release/electricity-prices-fall-and-covid-spikes-residential-demand>

Research commissioned by Energy Consumers Australia found:

- around half of people (49%) say they have more concern about their ability to pay household bills since the COVID-19 pandemic started with the number rising to 71% for those who have lost work during the crisis;
- electricity bills were the top cost of living issue for consumers with 73% rating electricity one of their top-3 concerns, ahead of groceries (56%) and housing costs (50%); and
- 67% expect an increase in their electricity bill this year.

The AER also published statistics in October 2020,³ showing consumer debt is rising, with the average 90-day debt increasing from \$960 in March 2020 to over \$1100 by the end of September 2020. Total debt for households on hardship programs grew by more than \$9 million to almost \$114 million, with average amount of debt growing by 17 per cent to \$1,390. ACOSS is concerned about growing levels of debt and consumers' ability to be able to pay on top of other financial pressures.

Energy Charter response to COVID-19 inadequate

On 16 March consumer groups released a joint statement⁴ calling on essentials service providers, including energy companies, to commit to:

- No disconnections. Companies should continue to offer their services without interruption, including energy, telecommunications, banking and insurance.
- Pause debt collection and legal/bankruptcy proceedings. People shouldn't be evicted or be hassled by debt collectors during this time. Lenders should consider moratoriums on loan repayments.
- Waive penalty and late fees, including additional interest charges. No one should pay extra if they're struggling to pay bills on time.

On 22 March in response to the government's initial community services measures, including doubling jobseeker, ACOSS reiterated the importance of business providing support:

Businesses must also continue to play their part. While the Government is providing financial relief to many in our community we still need companies that provide essential services such as energy, water, finance, rental housing and telecommunications to also provide relief by guaranteeing no disconnections, pause debt collection and legal/bankruptcy proceedings practices, and waive penalty and late fees, including additional interest charges. Now is not the time to put vulnerable people under more stress.⁵

³ <https://www.aer.gov.au/news-release/aer-extends-covid-19-energy-customer-protections>

⁴ <https://consumeraction.org.au/covid-19/>

⁵ https://www.acoss.org.au/media_release/extension-of-stimulus-measures-to-vital-community-services-sector-welcome-larger-rescue-package-needed/

While some EC Signatories paused disconnections, there was no consistent adoption of this measure among Signatories. For those that did pause disconnections, information regarding this and other COVID-19 related information was not provided publicly and openly.

Consumer groups approached the Energy Charter on a number of occasions, about working together on a response to COVID-19, but were told a response was being worked out at industry association level. While consumer groups recognise the complexities for energy business to be able to provide a national response, COVID-19 was the time for the EC to demonstrate “best practice” and work with consumer groups on a proposal to take to industry bodies for consideration.

It wasn't until the AER Statement of Expectations in early April⁶ and a rule change approved by the Australian Energy Market Commission (AEMC) for the deferral of network costs,⁷ that we saw clearer responses from energy companies.

An Energy Charter #BetterTogether initiative was eventually established, which included the “We've got you”,⁸ a national awareness campaign translated across 10 languages, together with customer resources for COVID-19, including for students.

Some Signatories eventually went beyond the AER's Statement of Expectations and the Energy Networks Australia (ENA) relief package, by analysing bills to identify savings, waiving some transmission network charges, proactive engagement to 'check in' on vulnerable customers and training staff to identify subtle signs of family violence while speaking to customers.

A good example was Auroa Energy who pulled together a specialist support team, dedicated phone line and a \$5M Customer Support Fund specifically designed to help customers pay their energy bills.⁹

However, we believe more could have, and still can be done, to better meet the needs of people experiencing energy stress as a result of COVID-19, especially customers who have not sought support for one reason or another.

We note in the Energy Charter's disclosure, that there was some recognition that the EC and Signatories didn't move as fast as they could have:

However, we acknowledge that we have not moved as fast as consumer representatives would have liked, particularly to partner across the supply chain with the community sector on responses to COVID-19.¹⁰

⁶ <https://www.aer.gov.au/system/files/AER%20-%20Statement%20of%20Expectations%20-%209%20April%202020.pdf>

⁷ <https://www.aemc.gov.au/rule-changes/deferral-network-charges>

⁸ <https://www.theenergycharter.com.au/wevegotyou/>

⁹ <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/Aurora-Energy-2020-Disclosure.pdf>

¹⁰ <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/Energy-Charter-2020-IAP-Disclosure-30.9.30.pdf> pg 10.

More can be done to support people during COVID-19 and beyond

Identify people who may be experiencing energy vulnerability early

We note a number of the EC retailers have or are in the process of implementing measures to identify people who may be experiencing energy vulnerability. While this is already a requirement of retail payment difficulty and hardship policy guidelines, it is crucial in mitigating the long term impacts of COVID-19 on households. For example:

- AGL has developed a predictive analytic tool to identify customers who are showing early signs of hardship and in FY2020 proactively contacted 326,770 customers to offer help and support.¹¹
- Powershop has expanded access to Powershop Relief Offer to any customer. There is no burden of proof and instead a principle of “just believe”.¹²

While many retailers have worked to improve awareness of their hardship and support programs, and implemented simpler measures to defer payments and debt, there has not been a concerted approach to identify households experiencing financial difficulty, and offer support and assistance early.

Many retailers continue to exhibit a heavy reliance on consumer self-advocacy, which often means support is not made available until debt has already been accumulated. Alongside this, retailers have continued to highlight concerns that consumers who can pay will not pay. This perspective represents a lack of good faith that often means even when consumers are in contact with their retailer, they do not get the strong support outcomes they need. Approaches such as Powershop’s should be more consistently applied to help build better long term support relationships between people and their retailers.

Recommendation 1: Retailers implement an approach that treats customer statements in good faith

The Victorian Payment Difficulty Framework (PDF) offers a readymade template for how to regulate for better early provisions of assistance to households, as a right that is not subject to eligibility. Considering that most retailers are already required to have systems to implement the PDF, ACROSS urges retailers to take an approach consistent with the PDF across all jurisdictions.

¹¹ <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/AGL-2020-Disclosure.pdf>

¹² <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/Powershop-Meridian-Energy-Australia-2020-Disclosure.pdf>

Recommendation 2: Retailers implement the Victorian Payment Difficulty Framework across all jurisdictions

Appropriate support is provided when consumers contact retailer

Recent ECA commissioned research found that 20% of households surveyed say they have already requested financial assistance to pay their electricity bill. Of these half (10%) received help which was useful, and half (10%) did not receive help that was useful.¹³ The Consumer Action Law Centre note that in their work they hear from consumers who have contacted the retailer but are not given assistance in terms of an affordable payment plan, access to concessions, best offer or advice on energy reduction. Within the disclosures we see some examples of hardship customers being provided a case manager and direct number to call for assistance. We note a number of Signatories increased call centre staff and/or assigned case workers, translated information into multiple languages, provided energy efficiency tips, and partnered with organisations to provide additional support.

We recognise that many retailers provide good support to people through their hardship programs. However, an undue focus on the quality of hardship programs can distract from the fact that many more people in genuine financial difficulty are not assisted through hardship programs, and by trained hardship support staff. The widespread impacts of COVID-19, together with their protracted duration, require wider application of assistance and support measures. This means simpler access to a range of support measures, as well as ensuring that a wider pool of staff are provided with the training and authority to assist people experiencing payment difficulty.

Recommendation 3: Expand and improve training for staff to ensure a wider pool of staff have expertise and authority to provide early assistance measures

Shift people off conditional discounts now

Recent ACCC research found that while concession and hardship customers are generally paying lower prices than other residential customers, those who are on payment plans due to financial difficulty are paying more than concession and hardship customers, because they have not meet conditional discounts like pay on time, so end up paying more (less than 60% of people on conditional discounts paid on time).¹⁴ While conditional discounts have been banned for new market offers, there are clearly customers who still remain on these offers.

¹³ <https://energyconsumersaustralia.com.au/publications/energy-consumer-sentiment-survey-findings-june-2020-covid-special-reports>

¹⁴ <https://www.accc.gov.au/media-release/electricity-prices-fall-and-covid-spikes-residential-demand>

We applaud ActewAGL for applying to the AER to suspend rules around explicit informed consent (EIC) to be able to move all of their hardship customers onto the best possible deal.¹⁵ We urge other retailers to follow suit. There is great scope for retailers to explore ways to demonstrate that the work they are doing to actively transfer their customers on to the best possible deal they can offer. While this is most significant for those already identified as being in difficulty (those on hardship programs and payment plans), it would help to alleviate financial pressure on all households, and would demonstrate a commitment to support the community through the exceptional circumstances resulting from COVID-19.

Recommendation 4: All retailers apply to AER for exemption to explicit informed consent rules to shift identified customers on to best offer, including customers on hardship support programs, customers in receipt of government rebates, customers in receipt of emergency payments, and customers on payment plans or with accumulated debt

No disconnections

We understand some EC retailers started issuing disconnection for no-payment service orders after the release of the AER's second *Statement of Expectations*¹⁶ (from 1 August 2020), and we further understand more retailers will be issuing these orders as of the first week in November. We are extremely concerned about the impact of disconnection on consumers during this time of extreme and widespread household stress brought on by COVID-19, increasing unemployment, the absence of government support for 1 million people and winding back of government support for millions more.

We urge all EC Signatories to **not proceed with disconnections** and work with consumer groups on possible solutions. While it has been established practice to use disconnection notices to drive consumer engagement, this represents a punitive threat that undermines scope for a positive ongoing relationship between retailers and their customers, particularly those in difficulty. A commitment to putting the consumer and community at the centre of the business process is completely contrary to account management practices based upon threats and implicit assumptions that consumers are withholding payment intentionally.

Long term relationships of mutual trust and good faith are critical to managing and overcoming periods of household payment difficulty, hardship and debt. Disconnections from an essential service undermine this, not only by their

¹⁵ https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/ActewAGL-011020_Energy-Charter_FINAL.pdf

¹⁶ <https://www.aer.gov.au/news-release/retailers-must-support-their-customers-as-covid-19-continues#:~:text=AER%20monitoring%20suggests%20an%20increase,2020%20compared%20to%20December%202019.&text=The%20AER's%20Statement%20of%20Expectations,what's%20expected%20of%20energy%20businesses>.

direct impacts, but by increasing household stresses, and inducing payments where those payments may simply be compounding financial difficulty. All EC Signatories should commit to payment management processes that do not rely upon disconnections, and work with consumer and community groups on more constructive alternatives.

Recommendation 5: EC Signatories to **not proceed with disconnections and work with consumer groups on possible solutions**

If disconnections do recommence we urge networks and retailers to work together to provide a pre-visit service along the lines of the SA Power Networks' disconnection for non-payment pre-visit service. This service involves SA Power Networks' staff members personally attending the site of the disconnection to provide the customer with information about available assistance. Trials have shown this pre-visit service reduces disconnections by over 50%, reconnects the customer with their retailer and saves households from the invidious impacts of disconnection.

We understand that Energy Australia has subscribed to this service in South Australia, but at the date of this submission AGL has not.

Recommendation 6: If disconnections do recommence we urge networks and retailers to work together to provide a pre-visit service

Commitment to write down hardship debt

In last year's submission to the Energy Charter Independent Panel, ACOSS called for a write down of energy hardship debt. As outlined above, debt has increased since March, and the federal government has reduced JobSeeker and JobKeeper payments, with further cuts on the cards. We note programs like AGL's "Staying Connected" payment matching program launched in December 2019, where AGL pays \$1 for every \$2 paid by participating customers,¹⁷ can be beneficial.

It's likely many people in debt will be unable to pay off the debt in total, and will be facing financial pressure in other areas of their life. We encourage EC Signatories to look at waiving either fully or partially current customer debt. Consumer groups would be willing to work with EC Signatories on potential solutions.

¹⁷ <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/AGL-2020-Disclosure.pdf>

Recommendation 7: waive either fully or partially current customer debt, and commit not to sell debt to unregulated credit collection agents, or credit default list customers

Support consumer groups advocacy efforts

Principle 5 of the Energy Charter says:

We will support customers facing vulnerable circumstances

Principle 1.5 of the Energy Charter says:

*[Energy businesses should] Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as **joint advocacy** on regulatory, **policy** and operational issues.*

ACOSS has been advocating for two critical measures that will reduce the number of people experiencing energy vulnerability.

The first is improving access to adequate income. People on low-incomes spend significantly more of their income on energy bills than people on high incomes (6.4% compared to 1.5%)¹⁸. While in March 2020, the Government temporarily doubled what was previously Newstart, renaming it JobSeeker, JobSeeker was cut in September 2020 and is to be further cut in December 2020. Powershop noted in their disclosure (p 10):

We do believe that the increase in Government payments beginning in March/April due to COVID-19 has had the effect of allowing customers in debt to pay off their energy debts faster. This is a powerful insight in the willingness of customers to pay their debts, but the inability for them to do so without proper financial support.¹⁹

ACOSS had approached Energy Charter Signatories seeking their support for the Raise the Rate campaign,²⁰ which seeks to secure an adequate safety net for those unable to access a job. As Powershop notes, customers are willing to pay debt if they have the proper financial support.

To date none of the EC Signatories have supported the campaign

Recommendation 8: EC Signatories sign up to the Raise the Rate for Good campaign

A second initiative is a proposal for direct government investment in energy efficiency and rooftop solar for low income households. Research undertaken by ANU for ACOSS and BSL, found that people in houses could save up to

¹⁸ ACOSS and BSL (2018) Energy Stressed in Australia <https://www.acoss.org.au/wp-content/uploads/2018/10/Energy-Stressed-in-Australia.pdf>

¹⁹ <https://theenergycharterpanel.com.au/wp-content/uploads/2020/10/Powershop-Meridian-Energy-Australia-2020-Disclosure.pdf>

²⁰ <https://raisetherate.org.au/>

\$1,139 per annum on energy bills with a \$5,000 investment in energy efficiency or rooftop solar.²¹

ACOSS approached the Energy Charter seeking support for these measures, but to date none of the Signatories has expressed an interest in being active supporters.

Recommendation 9: EC Signatories sign up to National Low-income energy productivity program

Acknowledge areas of progress

We acknowledge the challenges 2020 posed for energy companies and their staff in continuing to provide access to reliable energy during bushfires and COVID-19 lockdowns, and welcomed the focus on staff safety in the disclosures.

All Signatories demonstrated they have taken steps to become more customer centred, with many noting there is still significant work to be done. We would encourage organisations to think beyond their customer and think of the community to ensure all consumers are benefiting.

Recommendation 10: EC Signatories expand customer centred focus to include community centred focus

We welcome the #BetterTogether initiative on energy concessions and the reported increase of number of customers on energy concessions due to efforts to inform potential eligible customers. We encourage this work to continue. We look forward to working with the EC Signatories on the joint SACOSS and ACOSS research project modelling differential impacts of changes to electricity concessions.

We welcomed the #BetterTogether - Energy literacy for CALD communities, as well as the #BetterTogether – DEIP Access and Pricing package which ACOSS was a co-convenor.

We note there was less engagement with the Energy Charter in 2020, and would encourage the Energy Charter to engage consumer groups and consumers further in some of the #BetterTogether initiatives.

²¹ ACOSS and BSL (2019) Affordable, clean energy for people on low incomes https://www.acoss.org.au/wp-content/uploads/2019/02/FINAL-Report-Affordable-clean-energy-for-people-on-low-incomes_web.pdf

More time needed for consumers to engage with disclosure review

Further consideration should be given as to how to best engage consumers in the annual review of disclosures. While the disclosures themselves were much improved from last year in length, readability and focus, the time frame for consumers to review and provide input to the Independent Panel was too short.

Recommendation 11: Evaluate and modify disclosure review process in 2021 to enable greater consumer input

What else we would like to see going forward

In addition to the 11 recommendations above, we would like to see further progress made on the recommendations we outlined in 2019. We have included those recommendations again below, noting some of them are being partially implemented. For further detail, please see our [2019 Submission](#).

Recommendation 12: Continue to progress recommendations from ACOSS submission in 2019.

Principle 1 – we will put customers at the centre of our business and the energy system

- Embedding energy users into organisational governance, systems and process, for example:
- Consider appointing board members with consumer advocacy backgrounds.
- Establish an energy user engagement panel, which goes beyond typical consultation, but also reviews internal policies and processes, products and

services, marketing and advertising, and provides feedback on how they can be improved.

- Processes in place to research and analyse energy user characteristics, needs, concerns, and expectations. **[We note that this has partially been implemented by many Signatories.]**
- Demonstration of how the business is responding to and incorporating energy user needs in products, pricing, and services. For example:
- Engagement with customers – how does the business ensure that energy users end up with the right product that suits their needs and this is catered for in the businesses approach to advertising, marketing and contracting?
- Product design and pricing – how does the business ensure, at the energy cohort and individual level, that product design meets the likely needs of energy users, and pricing is fair for and within customer groups.
- Service aspects of their business – how are Signatories ensuring that ‘customer service’ is able to identify energy user needs and circumstances to meet these needs and appropriately solve problems? This particularly relates to people experiencing vulnerability who may have difficulty in obtaining or assimilating information, due for example to age, disability or background, and are therefore less able to buy, choose, or access suitable products.

[We note that this has partially been implemented by many Signatories.]

- Identification of obstacles in existing structures, processes, values or incentives that are preventing the Signatories from fully responding to its customers’ needs and concerns. **[We note that this has partially been implemented by many Signatories.]**

Principle 2 – We will improve energy affordability for customers

- Detailed analysis of the true affordability position of different energy users (including housing tenure, income level and source, household size, energy use across seasons, hardship indicators).
- Identification of the spread (percentage) of customers against the business product offers including those on the cheapest offer and those on default energy plans including average MWh of customers on different plans.
- Identification of the obstacles in the business to all energy users being on an energy plan that best meets their needs.
- Measures to assist customers (i.e. advice, information and highlighting strategies) in minimising their bills. **[We note that this has partially been implemented by many Signatories.]**
- More sophisticated analysis of the drivers of energy affordability and leadership in proactively advocating for policy and regulatory reform that

will address affordability drivers, especially for energy users experiencing vulnerability.

- **Justification** that advocacy positions taken are in the long-term interests of ALL their customers.
- Greater genuine engagement with consumer advocates to better understand drivers and solutions to energy affordability issues, develop joint solutions and shared positions, and support their advocacy efforts. **[We note that this has partially been implemented by many Signatories.]**

Principle 3 – We will provide energy safely, sustainably and reliably

- A clear overarching commitment to support and advocate for the rapid transition to a zero carbon energy system. **[Noting Powershop has committed to this.]**
- ACROSS and many of its members support a goal of achieving net zero emissions before 2050 and at least 45% by 2030. Australia’s energy system has the capacity to reduce emissions rapidly using current technology, compared to other sectors, and must be prioritised for fast, early emissions reductions.
- A plan to reduce business (scope 1) emissions in line with science based-targets linked to the goal of the global Paris Agreement to reduce emissions well below 2 degrees C and pursuing a limit of 1.5 degrees. ACROSS and many of its members support a goal of achieving net zero emissions before 2050. **[Noting Powershop has 100% carbon offset for scope 1, 2 and 3 emissions.]**
- A recognition of the need to plan for a just transition for communities dependent on income from mining and generating electricity from fossil fuels.
- A comprehensive strategy to respond to the equity as well as technical economic challenges of a high DER future system.
- A recognition of the need to build a more resilient energy system in the face of more frequent and intense severe weather events.

Principle 4 – we will improve the customer experience

- Demonstration that Signatories are embedding fairness in the development of product design and pricing and customer engagement.
- Innovation to better enable customers to identify the offer that best meets their needs.
- Improvement to advertising and communications of offers to all customers to ensure the information is clear and inclusive, including for culturally and linguistically diverse and low literacy customers and customers without

technology. **[We note that this has partially been implemented by many Signatories.]**

- Further consideration of how to link KPIs to improved customer outcomes. **[We note that this has partially been implemented by many Signatories.]**
- Procedures put in place by Signatories to engage more directly with the Ombudsmen to reduce the number of complaints and implement strategies to better manage complaints. This would include better data analysis of the trend and type of customer complaints (including repeat complaints) to Ombudsman offices and escalated complaints within Ombudsman offices as a result of poor responses or lack of resolutions offered.

Principle 5 – we will support customers facing vulnerable circumstances

- Identification of the design initiatives in the business offers that respond to customer vulnerability (aimed at reducing the need for customers to self-identify as vulnerable). **[We note that this has partially been implemented by some Signatories.]**
- Reporting of the percentage of customers currently on hardship programs and the percentage of customers that were on hardship programs but are no longer on them due to missing payments etc. **[We note that this has partially been implemented by many Signatories.]**
- Reporting of the percentage of customers eligible for hardship who are not receiving hardship assistance.
- Examination of whether all customers on hardship programs are accessing the benefits that they are entitled to and plans to get them onto government rebate programs, and other programs. **[We note that this has partially been implemented by many Signatories.]**
- Examination of whether every customer on a hardship program is on the most appropriate offer and plans to put them on the best offer. **[We note that this has partially been implemented by many Signatories.]**
- Reporting of the debt levels of customers in payment difficulty. **[We note that this has partially been implemented by many Signatories.]**
- Details of training provided to credit and hardship teams and call centre staff to identify and assist customers at risk of, or experiencing, payment difficulty. **[We note that this has partially been implemented by some Signatories.]**
- Details of programs to assess whether there is a faulty meter, energy intensive appliance, inefficient heating/cooling issue.
- Businesses should explore what they can do over and above their regulatory obligations to assist customers facing vulnerable circumstances. For example, how can the business overcome the split incentive problem to deploy energy efficiency **(for example ActewAGL partnered with Housing ACT to provide energy efficiency upgrades to public housing)**, solar PV **(Energy Australia and AGL partnered with NSW**

Government to provide solar to social housing) and batteries to allow vulnerable customers to participate and/or target low-income households for trials of virtual power plants (VPPs).

- Evidence of proactive and collective engagement with, and advocacy on behalf of, customers experiencing vulnerability to achieve better affordability outcomes for these customers.
- Signatories create a fund to support social sector organisations to deliver community energy programs to support energy bill literacy and reduce energy vulnerability.

Acknowledgements

ACOSS's submission was informed by the views of the Energy Users Consultative Group (EUCG) and the National Energy Consumers Roundtable Enabling Group of Retail Assistance for Payment Difficulty.

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