



March 2019 Issue

# EWOV Connect

A newsletter linking the  
Energy and Water Ombudsman (Victoria) (EWOV)  
with community agencies

"From 1 January 2019, new protections came into effect to help customers pay their electricity and gas bills."



## Message from the Ombudsman

Welcome to the March 2019 edition of *Connect*, our publication written for financial counsellors and community workers. In this issue, we're excited to let you know about:

- the latest Victorian energy retail market reforms and how this will benefit customers; and
- the work we have been doing with Embedded Network owners to ensure their customers have access to our dispute resolution services.

From 1 January 2019, new protections came into effect to help customers pay their electricity and gas bills. Under the *Payment Difficulty Framework* (PDF), Standard and Tailored Assistance is now available to all customers, a significant change in the way retailers respond to and manage customers experiencing payment difficulty. If a customer's debt is \$55 or less, they can access Standard Assistance. The retailer must offer Tailored Assistance if the debt is more than \$55.

The PDF requires retailers to consider the totality of a customer's circumstances and focuses their obligations on outcomes rather than specific processes. This is a positive development as payment plans must be offered to all customers with payment difficulties. Although it's too early to tell, EWOV is optimistic the PDF will have a positive impact on the most financially vulnerable people in our community, and will help manage their energy hardship.

Our latest [Affordability Report](#) was released last week, which provides a spotlight on customers who can't afford to pay for energy and water. We found that nearly one quarter (24%) of all our credit Investigations that closed between July and December 2018 involved customers who couldn't afford to pay for their consumption.

We are always looking at ways to improve *Connect*. If you have any story ideas or your organisation would like to be featured in the next edition, please [let us know!](#)



**Cynthia Gebert**  
Energy and Water Ombudsman (Victoria)

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### Connect is an online publication...

and is available for download from EWOV's website: [ewov.com.au](http://ewov.com.au)

### Did this copy of EWOV *Connect* come second-hand?

Contact EWOV's Administration Team for your own copy of *Connect*:  
(03) 8672 4460 or  
[admin-assistance@ewov.com.au](mailto:admin-assistance@ewov.com.au)



## Victorian Energy Retail Market Reforms: A New Dawn?

**It's no secret that energy bills have generated an awful lot of political heat in recent times, and this will only intensify as we head into the May federal election.**

In Victoria, the State Government has responded by tasking the Essential Services Commission (ESC) with developing a series of reforms to make it easier for customers to get a better deal on energy. The reforms will **take effect from 1 July 2019**, and are particularly important for low-income customers who struggle to engage with the retail energy market.

### Here are some of the key changes to look out for from 1 July 2019:

- 1. The 'Best Offer Entitlement':** Energy retailers will be required to provide a written notification on their customer's bill, advising the customer if they have a better plan available – and how much the customer could save by switching to that plan. These notifications must be provided at **least quarterly for electricity bills**, and **at least every four months for gas bills**.
- 2. Prior warning of bill changes:** Retailers will be required to notify customers **at least five days** before a price change, or the end of a customer's 'benefit period' (i.e. when their 'low introductory price' ends), to let the customer know their price is changing. At the same time, retailers must include a 'best offer' message if they have a better plan for the customer – and let them know how much they could save by switching.
- 3. Clear advice entitlement:** Retailers will be required to provide useful, clear advice to customers who contact them to switch to a better offer. For example, this may include advice that a customer will only make a saving on a 'best offer' if they are able to take advantage of a pay on time discount.
- 4. Fact sheets for customers:** All energy retailers will be required to use standardised fact sheets with basic information about their plans for quick reference, and so customers can easily compare their plan with others on the market. The fact sheets will show the expected **average yearly** cost for a number of typical customer households. The fact sheets will also be linked to the 'back end' of the Government energy comparison site, [Victorian Energy Compare](#).
- 5. The Victorian Default Offer (VDO):** The VDO will be a regulated price, determined by the ESC, which **will replace all 'standing offers'** from 1 July 2019. That is, customers who are on standing offers (which are generally more expensive than market offers), will **automatically be switched** to the VDO price in their distribution area.

It is important to note the VDO will be available to all Victorian customers if they request it. The VDO will be set at the 'reasonable cost' of providing an energy service – it will not necessarily be the lowest price available through a customer's retailer. The VDO is designed to protect inactive customers from paying excessive prices, but not prevent active customers from shopping around.

If retailers do not implement these reforms, they will be in breach of the *Energy Retail Code* and subject to enforcement activity by the ESC. For more information on these important reforms head to the ESC website. The relevant information can be found on their *Electricity and gas retail markets review implementation 2018* page, which [can be found here](#).

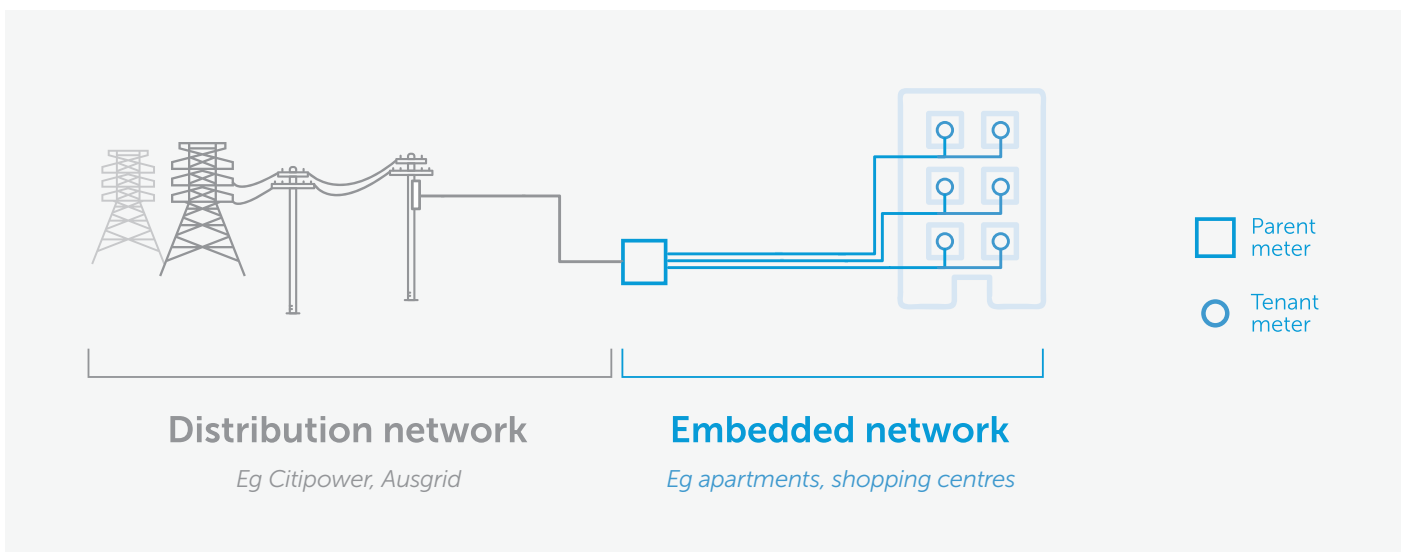
## Embedded Networks Update

**Do you have a client in a residential park, apartment or retirement village who gets their gas or electricity supplied via an embedded network? EWOV might be able to help!**

**Since 1 July 2018** EWOV has been working with embedded network owners and operators to ensure their customers have access to our dispute resolution services. To date, EWOV has 167 new Scheme Participants that manage 604 embedded network sites across Victoria with over 75,031 customers. Residents of apartment buildings, residential parks, retirement villages and tenants of shopping centres can now come to EWOV for electricity related dispute resolution.

As anticipated, the complaints we have received from embedded network customers have mostly been about billing, transfer and credit issues. EWOV is averaging no more than two complaints a day related to embedded networks.

We continue to work with our new members to build on their understanding of dispute resolution in the energy industry. Our focus is now shifting to raising awareness among embedded network customers of their rights and responsibilities and engaging with community sectors that assist customers with these types of complaints. If you would like some more information please contact us at: [CPT.ewov@ewov.com.au](mailto:CPT.ewov@ewov.com.au).



## Vulnerability training for EWOV staff

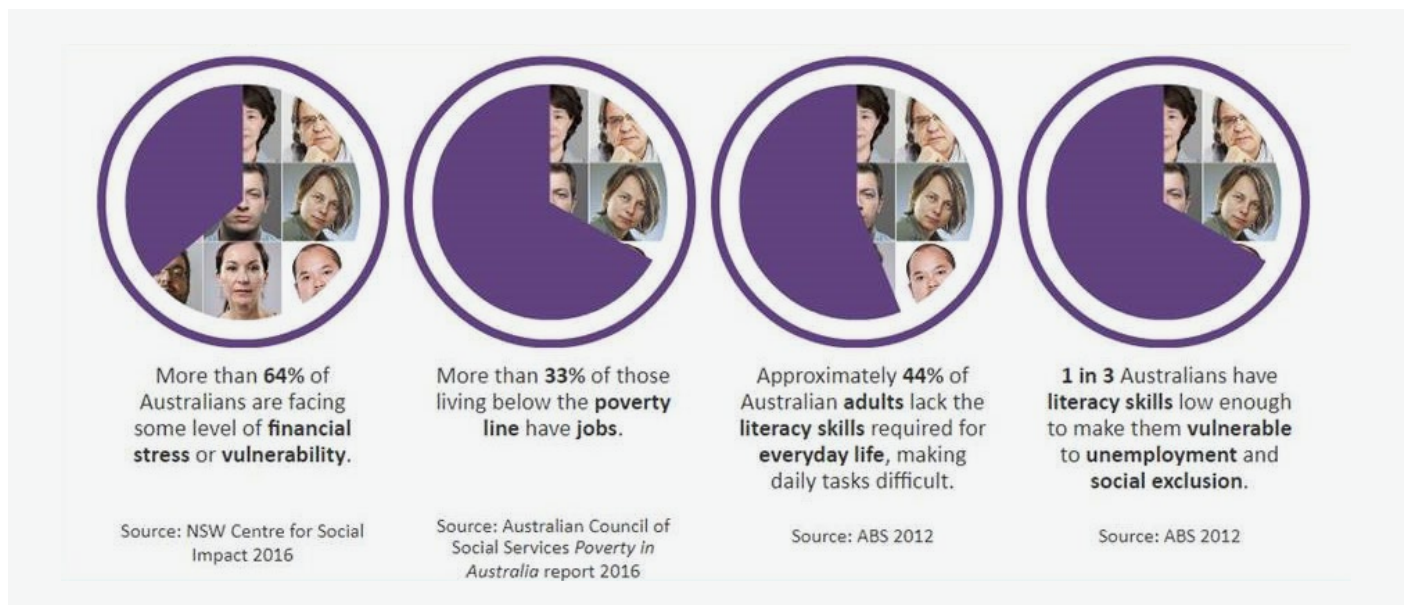
**In March, EWOV engaged Kildonan Uniting Care to facilitate a training series on understanding vulnerability and respectful practice for all EWOV staff.**

The program was designed to better understand our customers and the statistics around written and numerical illiteracy, mental illness, poverty and vulnerability in the community. Staff used this as an opportunity to reflect on and hone their practice as alternative dispute resolution professionals, including how we communicate with customers, scheme participants and each other.

These learnings will enable us to adapt and continuously improve our communications to ensure we meet the different needs of our customers.

**Connect is about connecting EWOV with workers and organisations supporting our community and financially vulnerable consumers, and we would like to include profiles of such people and organisations.**

In every edition we will feature an individual or organisation so please email the [Communications and Policy team](#) if you have a story that will showcase the amazing work that is happening across the sector. We are also happy to receive any feedback about a consumer case (de-identified of course). These may not always be published but they will be used to support our teams to broaden their understanding of the communities we all support.



*Courtesy of Kildonan Uniting Care*

## Case study:

2018/25672

### A customer has a history of financial hardship and no capacity to pay for her energy consumption

#### The issue

Ms A contacted EWOV in October 2018 following payment difficulties and the disconnection of her electricity supply. With a history of financial hardship, the single-income mother of four had combined gas and electricity arrears of nearly \$8,000. She had previously arranged a payment plan with her retailer, however, had missed some payments due to delays in Centrelink payments and the imminent birth of her fifth child.

Although Ms A's retailer had reconnected her electricity, it agreed to place her on their hardship program payment plan for only three months at \$70 per fortnight, after which, she would be reassessed and her payments would increase to cover her usage of \$143 per fortnight. The retailer also said if she didn't see a financial counsellor, Ms A wouldn't be eligible for its hardship program. The retailer did confirm Ms A's eligibility for an energy audit to help reduce her usage.

Ms A was concerned about her capacity to meet the increased payment terms after the expiry of the three-month payment plan and it was unlikely she could significantly reduce her energy consumption.

#### The investigation

Because of the case's complexity, EWOV raised an Investigation and also arranged a financial assessment to determine Ms A's capacity to pay her ongoing energy accounts.

Our financial assessment determined Ms A could afford to pay \$70 per fortnight, increasing to \$90 per fortnight in February 2019 when her Centrelink payments would increase due to her new born baby. We also suggested Ms A would benefit from a consumption and incentive program to manage her debt from April 2019. These steps would ensure the retailer is compliant with the Payment Difficulty Framework (PDF), coming into effect 1 January 2019.

#### The outcome

The retailer agreed to place Ms A on its hardship program, accepting an ongoing payment plan of \$70 per fortnight for review in February 2019, as recommended by EWOV's financial assessment and in line with the PDF. Ms A's gas account would also be included on the hardship program. The retailer offered to organise an energy audit for Ms A to help reduce her consumption.

EWOV closed the case as Ms A was satisfied with the resolution.

## Spotlight on:

### Settlement case workers

Say Htoo Eh Moero is a settlement case worker from [Wyndham Community and Education Centre](#). When she arrived from Burma in 1994 as a sixteen year old, services were limited and finding help was hard.

Many of Say Htoo's clients have come to Australia from refugee camps. In her role, Say Htoo can empathise with her clients as she guides them through the challenges of learning a new language and adjusting to a new culture.

Say Htoo assists clients pay their bills, or contacts service providers on their behalf when language or culture becomes a barrier. Many of Say Htoo's clients experience physical and mental health issues.

In 2013, Say Htoo received a Case Worker of the Year Award at the inaugural Migration and Settlement Awards in Canberra. The Award, presented by Prime Minister Julia Gillard, recognised her focus on the welfare of new arrivals by providing a 'whole-of-person' approach to empower new migrants.

Say Htoo and Wyndham Community and Education Centre are an example of the outstanding work being done to support the community across Victoria.



Image source: <https://migrationawards.org.au/past-years/2013-2/2013-finalists-winners>

## EWOV in the community

Since the last issue of [Connect](#), EWOV has been out and about in the community at a number of events including Bring your Bills days at Wingate Avenue Community Centre and the Broadmeadows hub, the Seniors Festival at Melbourne Town Hall, the Brimbank Families and Children Expo, and visits to the St Albans Heights Primary School and Dandenong Primary School hubs.

The hubs at primary schools engage and support parents who speak a language other than English by improving their understanding of issues that affect them on a day-to-day basis. These activities also build their resilience and strengthen their feeling of inclusion in the school community.

Our participation at these events targets consumers who have recently settled in Australia and who are learning to navigate the maze of organisations with which they interact. Many expressed a fear of contacting suppliers if they are behind in their bills as they believe they will get into trouble, or may not be understood. They also have difficulties navigating automated telephone queues, often relying on their children to speak on their behalf.

We have appreciated the opportunity to attend *Sister's Day Out* events at Deer Park, Frankston, Warrnambool, Bendigo, Moe and Geelong along with a *Sister's Day In* at Dame Phyllis Frost in Ravenhall. These events are run by [Djirra](#) who deliver not only *Sisters Day Out* but a number of other wellbeing initiatives that focus on preventing family violence, and providing support services, advocacy and policy work. The *Sisters Day Out* is a long-standing wellbeing workshop where Aboriginal women can support each other, enjoy a pampering session, get information about rights and options, and engage with available support services.



*Dandenong Primary School hub*

In October 2018 we attended the Financial and Consumer Rights Council conference at the Pullman—a great opportunity to speak with a number of you and raise our awareness of the issues and trends you are seeing in the community. These discussions help us gain a greater understanding of the consumer narrative, which supports the work our teams do across the organisation.



## Issues and trends

While attending these community-based events we speak to customers of energy and water providers in both an information sharing capacity and also in hands-on assistance with energy and water queries.

**In the events we attended, we encountered the following issues:**

- **Door knocking**  
Customers who speak English as a second language who have been doorknocked and who are unaware they have consented to change supplier;
- **Market complexity**  
Experiencing difficulties in identifying which energy deal is the best one for them based on their situation and needs;
- **Vulnerability**
  - Customers who are disengaged from their supplier due to multiple vulnerabilities (e.g. financial, literacy, level of trust) and therefore are not accessing support
  - Customers overwhelmed by the level of debt they have across utilities and the pressure of managing everyday household expenses.

**We have seen these issues reflected in the cases registered with EWOV between October-December 2018 including**

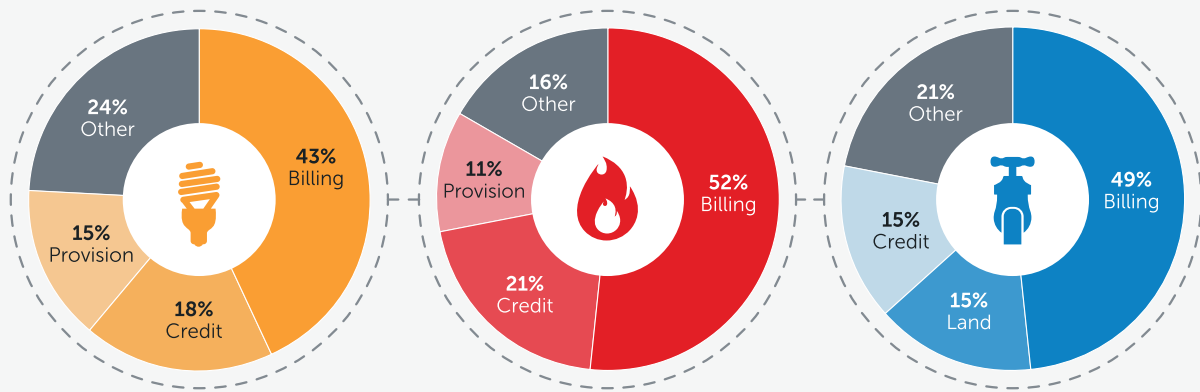
- Misleading marketing – Electricity & Gas
- Billing High – Electricity, Gas & Water

Customers who contact EWOV reflect the diverse community across Victoria. Between October and December 2018 some of the language groups represented included: Amharic, Arabic, Cantonese, Dinka, French, Greek, Hindi, Macedonian, Mandarin, Persian, Polish, Tamil and Vietnamese. We provide basic information translated on our website, and can provide printed copies by request. We also use a translation service for customers who contact us by phone.

We will continue to highlight the types of issues we are presented with when working directly with the community, and will assist our scheme participants to develop a deeper understanding of the impact of their business activities on specific consumer groups.

## A snapshot of the top three issues October to December 2018

The top three issues in the October to December 2018 quarter for **electricity**, **gas** and **water**



In the October to December 2018 quarter, EWOV cases fell across the board against the July to September 2018 quarter – down 13% overall, down 12% in electricity, down 15% in natural gas, down 13% in LPG, and down 17% in water. Notwithstanding this positive development, we’re closely watching a couple of issues, including payment plans and voltage variation. You can read the up-to-date information, statistics and analysis on energy and water complaints in our [Res Online](#) report here. Don’t forget to [sign up](#) to receive *Res Online* direct to your inbox.

## New direction in 2019

**2019 will see a new strategic focus on EWOV's outreach and engagement activities for Victorian consumers and the organisations who support them. We are working with our own and external data to identify priority activities in 2019.**

These priority areas will shape EWOV's approach to engaging with consumers who are currently disengaged and may not be aware of the role EWOV plays, while identifying opportunities to improve collaborations with community stakeholders and scheme participants. We want to ensure these consumers understand the importance of engaging early with their providers if they are concerned they may not be able to meet their financial commitments.

Through our outreach and engagement, we will gain insights into emerging trends and consumer experiences from both consumers and the organisations who support them. These insights will influence and enhance EWOV's services, support consumer outcomes and help build the consumer narrative. They may also offer scheme participants the ability to broaden their awareness of the communities they supply.

Leading this approach is Ruth Harley, Senior Community Outreach and Engagement Officer. Ruth has recently joined the EWOV team after a long career in the Victorian water sector. If you would like to provide any insights or discuss possible collaboration opportunities please contact Ruth on 03 8672 4280 or via email [ruth.harley@ewov.com.au](mailto:ruth.harley@ewov.com.au).