

04 June 2025

By email: energyconsumerpolicy@dcceew.gov.au

Energy Consumer Reform Team

Department of Climate Change, Energy, the Environment and Water (DCCEEW)

Dear Energy Consumer Reform Team,

Submission to the Better Energy Customer Experiences consultation

Thank you for the opportunity to provide our submission to the Better Energy Customer Experiences (BECE) consultation. Consumer Action Law Centre (**Consumer Action**) supports the prioritisation of a strong energy consumer protection framework for Australian energy customers, particularly as we transition to renewable energy. As the transition continues to expand, we consider it vital that consumer protections are updated to account for new technologies, and to respond to the changing nature of the energy market. This said, there are aspects of the existing consumer protection framework for traditional energy services that also require reform if they are to satisfy the principles of essentiality and equity that are part of the BECE process.

Rather than respond to the consultation questions, this submission provides key priorities for the BECE process to consider grouped under the themes of access, affordability, assistance and transition - groupings which align with the issues we see presenting via our financial counselling and legal services. More detail as to the specific issues for consideration under each theme is presented in the main body of our submission.

In addition to the recommendations offered in this submission, we also attach two of our recent submissions which are relevant to the BECE Consultation. These are:

- [Submission to the AER's National Energy Customer Framework \(NECF\) review](#), which provides more detail on the considerations relevant to the development of a holistic national energy consumer protections framework
- [Submission to the Victorian Consumer Energy Resources Review](#), which considers what should be prioritised in the development of a positive consumer duty, banning unsolicited sales, and expanding jurisdiction of Energy and Water Ombudsman services to include consumer energy resources

A summary of our recommendations is available at **Appendix A**.

About Consumer Action

Consumer Action is an independent, not-for profit consumer organisation with deep expertise in consumer and consumer credit laws, policy and direct knowledge of people's experience of modern markets. We work for a just marketplace, where people have power and business plays fair. We make life easier for people experiencing vulnerability and disadvantage in Australia, through financial counselling, legal advice, legal representation, policy work and campaigns. Based in Melbourne, our direct services assist Victorians and our advocacy supports a just marketplace for all Australians.

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Overview

In this submission, we draw from the experiences of our financial counsellors on the Victorian National Debt Helpline (**NDH**), as well as our legal practice in assisting Victorian consumers who are experiencing issues with new energy product sales. Our frontline services support thousands of people experiencing financial stress and the constant money juggle borne from the cost of living crisis. Energy remains a top presenting issue on our frontline services, both in people's ability to afford the cost of an essential service, and in the issues that can arise from predatory sales practices of new energy products.

Drawing on the issues encountered by our frontline staff, our submission provides key priorities that we recommended be considered in the BECE process, grouped under the themes of access to energy, affordability of energy, assistance for people experiencing payment difficulty, and supporting people to transition to renewable energy sources.

1. In your view, which issues should be priority? Which further issues should be included?

We support the DCCEEW taking an holistic approach to reviewing the consumer protections framework and its relationship to the National Energy Market (**NEM**), and broadly agree with the issues for consideration as outlined in the Consultation Paper¹. In our view the issues being considered are of relatively equal priority, and should be progressed in parallel. Where possible, we support the integration of issues across areas, and have provided some examples where issues can be grouped in the sections below.

Before going into some of the more substantive issues under consideration, we also want to offer our view on the principles under consideration. We strongly support the inclusion of *essentiality* in the guiding principles, and believe that the BECE process must prioritise uninterrupted connection to essential services, in order to give effect to the principle of the essentiality of energy for all Australians.

Furthermore, under the BECE's guiding principle of equity, we submit that further consideration must be made regarding the affordability of energy for all Australians. Under the current regulatory framework and energy market it applies to, access to energy is intrinsically linked to people's ability to afford it. We consider that investigation of measures that equitably share the cost of energy would significantly address the structural barriers in the current energy framework, and would advance equity for energy consumers.

Access

Issue: People in payment difficulty are being disconnected from an essential service

Recent data from the Australian Energy Regulator (**AER**)² and research from the Justice and Equity Centre (**JEC**) have identified that disconnection due to non-payment remains a significant issue for a proportion of Australians³. In Victoria, we have found that while disconnections have decreased since the establishment of the Victorian Payment Difficulty Framework (**PDF**), there has been an increase in energy debt held by Victorian consumers. Through our casework on the Victorian NDH we have seen multiple cases of retailers using the threat of disconnection to pressure people into agreeing to unaffordable payment plans⁴. We discuss this further in the 'assistance' section of this submission.

¹ Energy and Climate Ministerial Council, Consultation Paper – Better Energy Customer Experiences, [Better Energy Customer Experiences Consultation Paper](#), March 2025

² Australian Energy Regulator, [AER Review of payment difficulty protections in the NECF – Findings report](#) May 2025

³, p.12; Justice and Equity Centre, [Powerless: Debt and disconnection - Justice and Equity Centre](#), June 2024; AER, Schedule 3 – Quarter 4 2023–24 retail performance data, Australian Energy Regulator, Sheet: 'Disconnection Resi by debt';

⁴ Consumer Action, Consumer Action, [Energy Assistance Report – Keeping the Lights On](#), June 2024, p.25

In order to give effect to the principle of essentiality, we consider that the BECE process must prioritise the objective of upholding access to an essential service, regardless of someone's income. We discuss recommendations to this effect in the affordability section below, specifically socialising the cost of energy. However we consider that these recommendations should also be supported by stronger protections to ban disconnection for non-payment, under the principle of essentiality.

'NO CUSTOMER INCENTIVE CAN OVERCOME THE BARRIERS THAT SOME PEOPLE FACE TO PAYING THEIR ENERGY BILLS. AS A RESULT, WE CANNOT AVOID DISCONNECTION WITHOUT DIRECTLY ADDRESSING PAYMENT DIFFICULTY, CHANGING THE WAY THE MARKET WORKS, OR BOTH. GIVEN THAT THE COMMUNITY EXPECTS ALL AUSTRALIANS SHOULD HAVE ACCESS TO ENERGY, IT MAY BE TIME TO RETHINK HOW WE CAN KEEP CUSTOMERS CONNECTED TO THIS ESSENTIAL SERVICE.'

*AER Review of payment difficulty protections in the NECF – Findings report
May 2025, p.4*

Recommendations

In our submission to the NECF Review and the Energy Retail Code of Practice Review, we proposed the AER and the ESC consider restricting disconnections for non-payment, using guidance developed during the coronavirus pandemic, that required retailers to assess whether the disconnection would endanger the health and safety of a person, and establish a 'constantly connected' customer class, which includes people experiencing vulnerability⁵. As the AER's NECF Review Findings report outlines, there is an expectation among the community that as an essential service, all Australians should have access to energy⁶. As the Consultation Paper identifies, essentiality is the first guiding principle of the BECE review. For these reasons, we submit that the BECE process should progress reforms to ban disconnection of energy, given its status as an essential service, with particular regard to the AER's recommendations in their recent review of payment difficulty protections in the NECF findings report⁷.

RECOMMENDATION 1. Consider banning disconnections for non-payment as part of a protections framework that upholds the principle of essentiality of energy; and its relationship to people's health, safety and wellbeing.

Affordability

Issue: Energy is unaffordable for a growing number of people

Energy is one of the largest expenses in the household budget, and is essential to a liveable home and dignified life⁸. The AER reports that energy prices have nearly tripled over the last 20 years alongside food and housing costs.⁹ The recent 2025-26 DMO decision saw yet another rise, with prices across the NEM increasing by up to 9.7%.

⁵ Consumer Action, [AFFORDING ENERGY Submission to the AER NECF Payment Difficulty Review](#), June 2024, p.12; & Consumer Action, [The Energy Retail Code of Practice review - Consumer Action Law Centre](#) June 2024, p.10

⁶ AER Review of payment difficulty protections in the NECF – Findings report May 2025, p.4

⁷ Australian Energy Regulator, [Review of payment difficulty protections in the NECF - Issues paper - May 2024 \(aer.gov.au\)](#) p.22

⁸ Prof. Allan Fels AO, [Inquiry into Price Gouging Report to the ACTU, Final Report](#), February 2024

⁹ Australian Energy Regulator, [Review of payment difficulty protections in the NECF - Issues paper - May 2024 \(aer.gov.au\)](#) p.8

In 2024, a higher proportion of Victorians contacting the NDH were receiving their primary income from employment (33%), rather than Centrelink (29%). This was the first time these demographics had presented since 2019, and illustrates the depth of the current cost of living crisis, wherein a growing proportion of people in paid employment are falling into significant debt. This said, we are equally concerned that people contacting the NDH on Centrelink payments are continuing to go without food or medications in order to meet the cost of essential items, or are resorting to credit or Buy Now Pay Later (**BNPL**) products to cover their costs. Taken together, it is clear for many Australians, whether in paid employment or in receipt of Centrelink benefits, their income is not keeping pace with the cost-of-living.

Issue: Energy debt is increasing and unresolvable for a growing number of people

For Victorians contacting the NDH, we have found that average electricity debts have increased by 27% between 2020 and 2023¹⁰. The AER notes that energy debt costs retailers an estimated \$188 million each year, costs which are ultimately borne by energy customers as a whole¹¹. The ability to afford the cost of ongoing energy usage is clearly becoming untenable for a growing number of Australians.

Recommendations

We consider that there will be limits to the effectiveness of an energy consumer protections framework if we don't also investigate how to mitigate the increasing cost of energy for people who can't afford current usage costs, considering the significant impacts of unaffordability on consumers' health, wellbeing and opportunity.

If we are to truly address the issues of energy affordability, we consider that reforms to pricing must be considered. In its recent Findings Report, the AER outlines a proposal to address disconnections for non payment by socialising the cost of energy across the customer base¹². We consider that this proposal could provide affordable access to an essential service for those who cannot meet the cost of their ongoing usage. While this proposal would require significant examination and reform, we consider that it is this kind of structural change that would provide long term benefits for Australians experiencing vulnerability or barriers to affording an essential service, and is ultimately in the long-term interests of consumers.

For these reasons, we believe that the BECE review must consider energy affordability as a priority area in the review, underpinned by the guiding principles of essentiality and equity. To meet this objective, we recommend that the DCCEEW, in partnership with the AER, investigate the development of a low-cost electricity tariff that would enable low-income households to access an affordable electricity price, reducing the long-term accrual of energy debt; and reducing the risk of disconnection from an essential service due to financial hardship.

RECOMMENDATION 2. For DCCEEW to include the principle of ensuring energy is affordable for Australians, regardless of their income, in any updates to energy market frameworks out of the BECE process.

RECOMMENDATION 3. For DCCEEW and the AER to investigate the development of a low-price electricity tariff for low-income households.

¹⁰ Consumer Action, *Energy Assistance Report – Keeping the Lights On* June 2024, p.14

¹¹ Australian Energy Regulator, [AER Review of payment difficulty protections in the NECF – Findings report](#) May 2025, p.12

¹² Australian Energy Regulator, [AER Review of payment difficulty protections in the NECF – Findings report](#) May 2025, p.22

Assistance

Under this area, we include issues such as payment difficulty assistance frameworks; protections for customers across energy types (such as embedded networks or pre-payment customers); and dispute resolution mechanisms. We outline three of the key issues presenting on our frontline services that we believe to be of high importance for the BECE process to consider.

Issue: There is a persistent cohort of people experiencing hidden payment difficulty, and people experiencing payment difficulty are not necessarily being provided assistance

According to its recent report, the AER has found a 'persistent assistance gap' since the establishment of the NECF in 2019-20, where over 75,000 households are in energy debt but not receiving any assistance from their retailer. Concerningly, 43% of customers who were disconnected by their retailer were not receiving any assistance, including through government rebate or concessions¹³.

As an example of hidden or invisible energy hardship, reducing or forgoing other essential expenses to meet the cost of energy is a commonly reported issue for people contacting the Victorian NDH¹⁴. Positively, in Victoria the PDF provides a broad-based eligibility criteria for people who may be facing payment difficulty to access assistance. The PDF outlines that all customers are eligible for standard assistance to prevent falling into arrears, and if a customer is in arrears, they are eligible to receive tailored assistance from their retailer¹⁵. While we strongly support the eligibility criteria included in the Victorian framework, it is crucial that strong monitoring, enforcement and compliance mechanisms are in place to ensure that the framework is implemented as intended, and people experiencing invisible or hidden hardship are appropriately identified and supported.

Recommendations

The BECE process should consider integrating and expanding existing payment difficulty and hardship assistance frameworks across energy jurisdictions, adopting the definition from the Victorian PDF. Having a consistent definition across jurisdictions would improve communication, understanding of assistance available, and access to that support, for both consumers and industry alike. In addition to this expansion, we consider that definitions of hardship should be broadened to account for issues such as hidden hardship, underusage, and energy poverty. As part of this, we recommend the BECE process should consider developing an indicia of energy poverty, in partnership with the AER. This would also assist in identifying energy inefficient households, with the view to targeted relief measures to improve efficiency and assist in the uptake of renewable energy resources for those households.

Furthermore, we recommend that a broad-based payment difficulty framework must expand to include all customer types, including those on pre-payment meters, embedded networks or non-traditional energy system users such as consumers off-grid or with renewable energy systems.

RECOMMENDATION 4. For the BECE process to consider adopting the definition of payment difficulty from the Victorian Payment Difficulty Framework

RECOMMENDATION 5. For the BECE process to develop an indicia of energy poverty that is shared across all Australian energy jurisdictions

¹³ Australian Energy Regulator, [AER Review of payment difficulty protections in the NECF – Findings report](#) p.6

¹⁴ Consumer Action, [Energy Assistance Report – Keeping the Lights On](#), June 2024, p.6; p.22 case study 'Thomas', p.26 case study 'Simone'; p.34 case study 'Lisa'

¹⁵ Essential Services Commission, Energy Retail Code of Practice, ss. 124 - 128

RECOMMENDATION 6. A payment difficulty framework and consumer protection regime must prioritise equal consumer protections that includes all customer types such as those on pre-payment meters, embedded networks and future energy systems.

***Issue:** Retailers are not meeting the intention of their obligations under existing consumer protection frameworks (PDF and NECF)*

Victorians contacting the NDH commonly report their retailer pressuring them to agree to a payment plan they can't afford. For many people this is the first, and only, measure of payment difficulty assistance they receive. In our latest report, we found the average payment plan suggested by retailers to be \$150 per fortnight, while the average fortnightly income was \$1,035¹⁶. People often reported feeling pressured to agree to these payment plans, as retailers would commonly state that they would fall into debt and be at risk of disconnection if they weren't able to meet this amount¹⁷. The Victorian Essential Services Commission (ESC) reported that in 2023-24, more Victorian consumers were unable to meet their payment plan due to financial stress, and there were higher numbers of consumers at risk of disconnection for non-payment¹⁸. The AER has reported similar issues across NEM jurisdictions, with on average 60% of payment plans being cancelled due to non-payment since 2019-20¹⁹.

Recommendations

We submit that retailers are not utilising payment assistance frameworks as they are intended when they were developed. We consider that this could be addressed through two approaches – first, by establishing a positive consumer duty, that outlines clear objectives that energy industry participants must adhere to in the provision of services or products, as well as strengthening monitoring, compliance and enforcement.

With respect to a consumer duty, we have previously provided our views on what this duty could include in our submissions to the NECF Review, where we outlined that a customer assistance framework should include objectives of energy affordability and energy efficiency. A principles-based approach to meet these objectives could include a protection of supply, and safeguards against disconnection due to financial hardship. We refer to the duty of conduct for financial services to act efficiently, honestly and fairly, as found in the Corporations Act, and propose that these principles can be adopted in a payment difficulty framework for energy with regard to aspects of service delivery, provision of information, and measures of assistance available to all consumers experiencing payment difficulty²⁰.

We also provided further recommendations to adopt a consumer duty in our submission to the Victorian Consumer Energy Resources (CER) Review, making reference to guiding principles of ethical, equitable, efficient, honest and fair²¹. With regard to the transition to renewable energy, we outlined the view that a positive consumer duty should incorporate social responsibility of actors in the energy industry. Practically, this means that in that in addition to a positive obligation with respect to how business deals with consumers, a positive conduct obligation would be established for industry actors for their conduct in the broader spheres in which they operate in, covering their impacts on the environment, First Nations communities, and local and international workforces and trade. We provide some examples of activities that could relate to these positive conduct obligations below:

Ethical

¹⁶ Consumer Action, *Energy Assistance Report – Keeping the Lights On*, public dataset [2024-Energy-Assistance-Report-Data-PUBLIC.xlsx](#) page '3.3 breaches to PDF'; & Consumer Action, [CALC-Energy-Assistance-Report-2024-FINAL_WEB.pdf](#) pp.23-24

¹⁷ *Ibid* p.25

¹⁸ Essential Services Commission, [Victorian Energy Market Report 2023-24 Annual](#), p.4

¹⁹ Australian Energy Regulator, [AER Review of payment difficulty protections in the NECF - Findings report - May 2025](#), p.11

²⁰ Consumer Action, [AFFORDING ENERGY](#) Submission to the AER's Review of payment difficulty in the NECF, June 2024, pp. 5-10

²¹ Consumer Action, Consumer Energy Resources Review, pp.13-14

- The design, development, manufacture and provision of CER products are conducted ethically, with consideration to the impacts on environment, trade, social and economic factors, including employment.
- First Nations communities drive the transition to renewables in their communities and on their Country, and their right to self-determination and free and prior-informed consent to CER activities in their communities and on their Country is respected and upheld²²

Equitable

- Products are accessible equitably to the diverse profiles of consumers and needs of communities
- Benefits of the renewable energy market are shared across whole communities
- Equitable opportunity to participate in the renewable energy market is provided to First Nations communities; including outside of their community

Efficient

- CER is designed for long-term and efficiently functional use where obsolescence is limited
- Efficient processes in the delivery of CER are designed to have a minimal environmental footprint
- The provision and service of CER resources to consumers

Honest

- Consumers receive clear, accessible, comparable and comprehensive information about products and services

Fair

- Products and services are of fair value, fit for purpose; and meet consumers' needs
- Customer assistance and consumer guarantees are fair and accessible to consumers

In addition to this establishment of a positive consumer duty, we also consider that stronger monitoring, compliance and enforcement measures will incentivise industry to prioritise their customer assistance obligations. To this end, we strongly recommend the introduction of higher penalties where businesses fail to meet their obligations to consumers.

RECOMMENDATION 7. For the BECE process to progress the establishment of a positive consumer duty for all consumer energy resources and services.

RECOMMENDATION 8. Introduce higher penalties for energy retailers and service providers where obligations to consumer protections have not been met

²² 5 First Nations Clean Energy Network, [Submission to the Environment and Communications Legislation Committee – Future Made in Australia \(Guarantee of Origin\) Bill 2024](#), September 2024, p.2 & First Nations Clean Energy Network, [What we stand for](https://www.firstnationscleanenergy.org.au/what_we_stand_for) https://www.firstnationscleanenergy.org.au/what_we_stand_for

Issue: Dispute resolution is not accessible or easy to navigate for consumers across new energy and traditional energy products

In our submission to the CER Review, we provided key issues and recommendations for reform drawn from our casework experience assisting Victorian consumers with unsolicited sales of new energy products.

Drawing from over a decade of casework experience, we have found that consumers face significant barriers accessing complaints processes when they experience an issue with CER products and services. In many cases, the only avenue for access to a resolution is to take a matter to court, which is a cost-prohibitive, complex and protracted process.

Recommendations

With regard to dispute resolution for consumers across traditional and new energy products, we strongly support the integration of new and traditional energy providers within the one ombudsman scheme. We strongly support the proposal that the Energy and Water Ombudsman of Victoria (**EWOV**) be the external dispute resolution body for Victoria, and propose that the respective Energy and Water Ombudsman in each State and Territory have their jurisdiction similarly expanded to cover body transition and new energy products and services.

RECOMMENDATION 9. For each State and Territory Energy and Water Ombudsman to have their jurisdiction expanded to include disputes relating to both traditional energy retail services and future energy services.

Transition

Issue: Low-income households and people experiencing vulnerability are being misled into unfair or unaffordable credit in order to pay for the upfront cost to transition to renewable energy

As outlined in our submission to the CER Review, one of the most pervasive issues we have found in the sale of new energy products has been the prevalence of linked BNPL credit products. In many of our cases, consumers have been signed up to a BNPL product to finance the purchase solar panels, without their prior knowledge that they would be entering into a BNPL arrangement. The repayments are typically unaffordable for our clients, which often results in financial hardship, as people struggle to meet repayments for the cost of the system, in addition to their ongoing energy bill costs.

These sales practices are causing particular harm to people experiencing vulnerability and disadvantage. In our legal cases from 2023-24 regarding unsolicited sales of new energy products, we have found that

- 81% of people are unemployed (of cases where employment status was disclosed)
- 90% of people are living in regional Victoria
- The median household income is \$28,000 per annum
- 71.5% of people were receiving Age Pension, Disability Support Carer's payment or Newstart
- 65% of people have some kind of disability, (of cases where disability status was disclosed)²³

²³ Consumer Action, *Submission to the Consumer Energy Resources Review*, p.16

Recommendations

In order to prevent this issue, we submit that a two-fold approach must be taken to strengthen consumer protections in the provision and sale practices of CER products. In order to address affordability barriers, we recommended that the DCCEE and Department of Treasury should increase investment in targeted no-interest loans for low-income households to purchase renewable consumer energy resources. In addition to this, we also recommend that the Australian Consumer Law be reformed to ban unsolicited sales, including doorknocking and telemarketing. These two reforms will provide broad-based protections for consumers now and into the future.

RECOMMENDATION 10. For the DCCEE and Department of Treasury increase investment for targeted no-interest loans for low-income households for renewable consumer energy resources.

RECOMMENDATION 11. For the DCCEE to ban unsolicited sales of energy services and products across all Australian energy jurisdictions, and provide advice to relevant bodies to ban unsolicited sales under the Australian Consumer Law.

'THERE ARE PROBABLY A NUMBER OF PEOPLE WHO WANT TO TRANSITION TO RENEWABLES,
BUT IT HASN'T BEEN AFFORDABLE TO THEM.

IF WE WANT LOW INCOME PEOPLE TO BE ABLE TO TRANSITION, THERE NEEDS TO BE MORE
FINANCIAL SUPPORT TO DO SO, BECAUSE THE CURRENT SYSTEM IS NOT HELPING THEM.

WE WANT PEOPLE TO HAVE AFFORDABLE AND RENEWABLE ENERGY, BUT PRIVATE FINANCE IS
NOT THE SOLUTION FOR PEOPLE WHO CAN'T AFFORD IT. IT HAS CAUSED DISTRUST ABOUT
RENEWABLE ENERGY, AND CONFUSION ABOUT REBATES AND GOVERNMENT SUPPORT.'

Catherine Miller, Managing Lawyer, Consumer Action
Submission to the Consumer Energy Resources Review p.21

Issue: Low-income households and people experiencing vulnerability are paying more for energy due to living in energy inefficient housing

Consistent research has found a direct association between energy inefficient housing and higher energy costs, and a direct correlation between poor quality housing and poor physical and mental health²⁴. In 2019, the Victorian Residential Efficiency Scorecard found that 85% of assessed properties had the worst possible thermal rating during hot weather, and 75% had low or very low thermal ratings during cold weather²⁵.

Since 2018, we have provided submissions into the Victorian energy efficiency minimum standards review process, and have consistently outlined that adopting stronger standards of energy efficiency for rental properties would ease pressure on households struggling to make ends meet, by lowering energy use and the associated costs²⁶.

We strongly support the implementation of the proposed Victorian energy efficiency minimum standards for rental properties and rooming houses, and further support that national standards of energy efficiency for rental properties and rooming houses is developed and implemented through the BECE process. We submit that prioritising energy efficiency of rental properties and rooming houses is a crucial to addressing the principle of equity within the BECE process, and to maximising the benefit these properties would derive from installation of renewable energy products.

RECOMMENDATION 12. For the BECE process to prioritise the progression of national standards for energy efficiency for residential rental properties and rooming houses.

²⁴ Baker, E., Lester, L. H., Bentley, R., & Beer, A. (2016). Poor housing quality: Prevalence and health effects. *Journal of Prevention & Intervention in the Community*, 44(4), 219–232. <https://doi.org/10.1080/10852352.2016.1197714>; & Sweltering Cities and Healthy Homes for Renters *Summer Survey 2022 Report* [Copy of SC Summer Survey 2022 Report \(swelteringcities.org\)](https://www.swelteringcities.org/)

²⁵ Department of Energy, Environment and Climate Action, *Victorian Residential Efficiency Scorecard Flash Report* July 2019, pp.18-19

²⁶ Consumer Action, [Treasury Laws Amendment \(Improving the Energy Efficiency of Rental Properties\) Bill 2018](#), September 2018, p. 1; & Consumer Action, [Energy Efficient Minimum standards for Rental properties and rooming houses](#) July, 2024

Summary of priority principles, protections and practical measures

As part of our submission to the AER’s NECF review, we provided a principles-based framework table outlining our key priorities with regard to principles; protections and the practical measures that could be established in a national framework (**Table 1**).

We have included this table again in this submission to highlight key issue areas that in our view should be prioritised in the BECE process. The practical measures listed are real-life examples, drawn from international models and the Victorian PDF, as well as some proposed reforms to existing frameworks.

Principle	Protection	Practical measures
Access to energy	<ul style="list-style-type: none"> Ban on disconnections Universal basic service entitlement 	<ul style="list-style-type: none"> Consider adopting advice during coronavirus on disconnection process to include assessment and customer confirmation that disconnection would not endanger the health and safety of any person before proceeding with disconnection²⁷ Establish a universal basic energy service²⁸
Affordable energy	<ul style="list-style-type: none"> Social tariff Reforms in energy market regulation 	<ul style="list-style-type: none"> Three tier fixed cost tariff and unit rate discounts reflective of and proportionately dispersed across income percentiles, using utility industry profit²⁹ Expansion of market reporting to regulators³⁰ Structural review of energy wholesale, derivative and spot markets³¹
Assistance framework that addresses payment difficulty and financial hardship	<ul style="list-style-type: none"> Information and application of lower or lowest rate offers Application of government assistance to all eligible consumers Access and application of payment difficulty assistance that meets consumers’ needs Ensure that no one is disconnected due to experiencing financial hardship 	<ul style="list-style-type: none"> Retailer requirement to provide information and facilitate lowest offer switches³² Automated concessions and consumer flexibility of relief schemes³³ Broad-based entitlement to information and application of a wide range of assistance including specific information of payment matching and debt waivers³⁴ Protections from and restrictions of disconnection³⁵

²⁷ Essential Services Commission [RM/21/2634, Advice to retailers and distributors on disconnection during stage four restrictions](#), February 2021

²⁸ AER, [Review of consumer protections for future energy services](#) November 2023 pp.29-30 & UN Directive 2019/944 Article 27 [Directive - 2019/944 - EN - EUR-Lex \(europa.eu\)](#)

²⁹Right to Energy Coalition, [People-Powered-Winter-Plan.pdf \(righttoenergy.org\)](#)

³⁰ Prof. Lynne Chester, [Australia’s National Electricity Market: Bidding rules, market power and wholesale electricity prices](#) January 2024, p.55

³¹ Prof. Allan Fels AO, [Inquiry into Price Gouging Report to the ACTU, Final Report](#), February 2024, pp.51-52; p.68

³² Proposed amendment to current Victorian PDF as found in Energy Retail Code, Part 6, clause 144 (f)

³³ Proposed amendment to current existing Australian frameworks

³⁴ Proposed amendment to current Victorian PDF, and Essential Services Commission regulatory Guideline to Payment Difficulty Framework

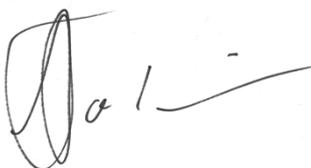
³⁵ Current Victorian PDF as found in Energy Retail Code

Renewable energy	<ul style="list-style-type: none"> • Equitable access to transition to renewable energy sources • Equitable support for an energy efficient home 	<ul style="list-style-type: none"> • Government-based licensed initiatives for appliance and electrification upgrades targeting lower-income households³⁶ • Targeted energy efficiency upgrades for low-income and renter households, integrated with existing tax concessions for owners; and integrated with strengthened tenancy protections including regulation to prevent potential increased housing costs to the resident³⁷
Disadvantaged and vulnerable consumers are identified and appropriately supported	<ul style="list-style-type: none"> • Safety frameworks provide additional protections from disconnection for vulnerable cohorts • Strengthening protections against essential service being used as a tool for financial abuse • Strengthening protections against debt recovery for vulnerable, disadvantaged consumers 	<ul style="list-style-type: none"> • Identify and support energy poor cohorts with the view to addressing energy poverty through energy efficiency upgrades; protection from disconnection and social tariff rates³⁸ • Recategorisation of 'constantly connected' customer class to include older aged and minors, disabled, significant or long term health conditions and family violence affected customers • Family Violence identification, training, safety and privacy protections • Debt forgiveness initiatives³⁹ and restrictions on recovery, sale or assignment of debt for vulnerable or disadvantaged consumers

Please contact Senior Policy Officer **Eirene Tsolidis Noyce** at **Consumer Action Law Centre** on 03 9670 5088 or at eirene@consumeraction.org.au if you have any questions about this submission.

Yours Sincerely,

CONSUMER ACTION LAW CENTRE



Stephanie Tonkin | Chief Executive Officer

³⁶ Victorian Energy Upgrades program for households [Victorian Energy Upgrades for households](#)

³⁷ Victorian Dept of Energy Environment and Climate Action, [Energy efficiency for rental properties in Victoria](#) 2024

³⁸ UN [Directive - 2019/944 - EN - EUR-Lex \(europa.eu\)](#) (59) & (60)

³⁹ Citizens Advice, UK Energy, Ofgem [Winter Voluntary Debt Commitment UK](#)

APPENDIX A - SUMMARY OF RECOMMENDATIONS

- RECOMMENDATION 1.** Consider banning disconnections for non-payment as part of a protections framework that upholds the principle of essentiality of energy; and its relationship to people's health, safety and wellbeing.
- RECOMMENDATION 2.** For DCCEEW to include the principle of ensuring energy is affordable for Australians, regardless of their income, in any updates to energy market frameworks out of the BECE process.
- RECOMMENDATION 3.** For DCCEEW and the AER to investigate the development of a low-price electricity tariff for low-income households.
- RECOMMENDATION 4.** For the BECE process to consider adopting the definition of payment difficulty from the Victorian Payment Difficulty Framework
- RECOMMENDATION 5.** For the BECE process to develop an indicia of energy poverty that is shared across all Australian energy jurisdictions
- RECOMMENDATION 6.** A payment difficulty framework and consumer protection regime must prioritise equal consumer protections that includes all customer types such as those on pre-payment meters, embedded networks and future energy systems.
- RECOMMENDATION 7.** For the BECE process to progress the establishment of a positive consumer duty for all consumer energy resources and services.
- RECOMMENDATION 8.** Introduce higher penalties for energy retailers and service providers where obligations to consumer protections have not been met
- RECOMMENDATION 9.** For each State and Territory Energy and Water Ombudsman to have their jurisdiction expanded to include disputes relating to both traditional energy retail services and future energy services.
- RECOMMENDATION 10.** For the DCCEEW and Department of Treasury increase investment for targeted no-interest loans for low-income households for renewable consumer energy resources.
- RECOMMENDATION 11.** For the DCCEEW to ban unsolicited sales of energy services and products across all Australian energy jurisdictions, and provide advice to relevant bodies to ban unsolicited sales under the Australian Consumer Law.
- RECOMMENDATION 12.** For the BECE process to prioritise the progression of national standards for energy efficiency for residential rental properties and rooming houses.