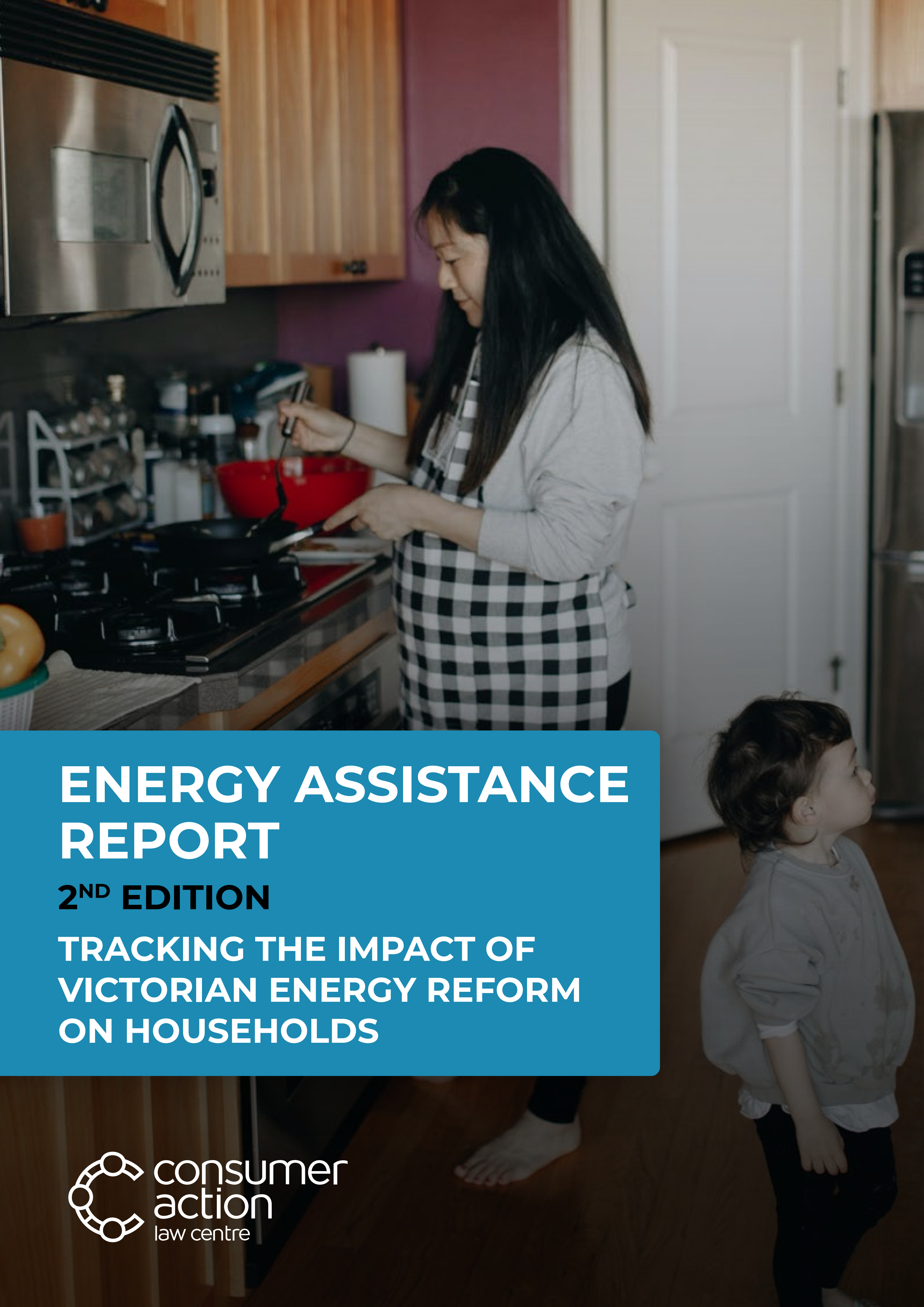


ENERGY ASSISTANCE REPORT

2ND EDITION

TRACKING THE IMPACT OF VICTORIAN ENERGY REFORM ON HOUSEHOLDS

consumer action law centre

ABOUT

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.

ACKNOWLEDGEMENTS

This report is part of a work program made possible through funding by Energy Consumers Australia. The views expressed in this report do not necessarily reflect those of Energy Consumers Australia.

Consumer Action is located on the land of the Kulin Nations. We acknowledge all Traditional Owners of Country throughout Australia and recognise the continuing connection to lands, waters and communities. We pay our respect to cultures; and to Elders past and present.

EXECUTIVE SUMMARY

This is Consumer Action Law Centre's (**Consumer Action**) second Energy Assistance Report, following our previous report published in July 2019. The original report explored whether the introduction of Victoria's Payment Difficulty Framework (**PDF**) had improved the hardship assistance energy companies were providing to customers faced with difficulty paying their bills. We found that while disconnections for non-payment and energy debt had decreased since the introduction of the PDF, the framework was being inconsistently applied, meaning many Victorians were missing out on assistance that would help them manage their energy bills. This follow-on report investigates whether these trends have continued, considers the impact of the COVID-19 pandemic and related supports, and identifies gaps in hardship assistance that remain more than two years after the introduction of the PDF.

This current report reviews 18 months of calls to our financial counsellors between July 2019 to December 2020. As was done in our previous report, two days of calls from each month were selected to form the sample for this report. Of the 808 calls in the sample where financial counselling advice was provided, 133 people mentioned energy issues. Case notes from the 133 energy-related calls were reviewed in detail to identify common issues people were facing with their energy retailers.

Overall, there appears to be continued improvement in the hardship assistance customers are receiving from their retailers. There are proportionately fewer disconnections in our current sample compared to our last report, with only two cases of disconnection for non-payment recorded across the sample. However, it is difficult to make comparison between the two reports. Given that our sample is drawn from calls between July 2019 and December 2020 fewer disconnections were expected due to the moratorium on disconnections introduced in response to COVID-19. Our sample also does not capture any calls we might have received linked to the recent surge in disconnections across Victoria, with more than 8,000 residential electricity and gas disconnections in the six months between 1 December 2020 and 31 May 2021.[1]

Further improvements include the proportion of people being inappropriately referred to our financial counsellors by their energy companies having decreased between the two reports, as has the proportion of people reporting being threatened with disconnection and the proportion of people reporting being pressured by their retailer to accept unaffordable payment plans.

Despite the improvements noted in this sample, gaps still remain in retailers' assistance for people experiencing difficulty paying their energy bills. Cases of large energy debt are down only slightly compared to the previous report, as is the proportion of people either not informed about the Utility Relief Grant Scheme (**URGS**) by their retailer or reporting issues in accessing it.

In terms of who is experiencing energy hardship, there continues to be a strong relationship between receiving a Centrelink income and issues with energy debt. Consistent with the previous report, around 50% of the people with energy issues in our sample reported having Centrelink as their primary income source. In terms of other demographic markers, reports of energy issues in our sample are disproportionately higher among people living alone, single parents, people in private rentals, and women. People calling about energy issues in our sample are also more likely to report a 'flagged vulnerability' to financial counsellors, things such as experiencing mental health issues, or having recently lost their job.

From our findings, and despite the improvements noted, it is clear that further action is needed to improve outcomes for people facing difficulty paying their energy bills. We suggest that these actions should include:

- increased enforcement and compliance action by the Essential Services Commission (**ESC**) to ensure energy businesses are meeting their obligations to customers under the PDF, including prioritising investigating for any cases of wrongful disconnection since December 2020;
- ongoing, regular collection and reporting of customer support data to better track trends in energy hardship in Victoria;
- as part of the ESC's review of the PDF, considering:
    - greater timeframes to repay arrears;
    - additional entitlements for customers who cannot afford their ongoing usage;
    - enhanced protections for specific cohorts of customers more likely to experience energy hardship;
    - expanded protections related to disconnection for non-payment;
- an immediate and permanent increase to Centrelink payments, as well as regular indexation;
- regular release of URGS data by the Department of Families, Fairness and Housing (**DFFH**) to improve transparency around access to the grant.

CONTENTS

01 INTRODUCTION

BACKGROUND

Access to affordable and reliable energy supply underpins our daily lives. We rely on it to light, heat and cool our homes, to cook, to keep us connected to friends and family, to work, to learn and to keep us entertained. The importance of this access was highlighted with the COVID-19 pandemic forcing many Victorians to spend much of their time at home during the lockdowns in 2020 and 2021. However, for too many Victorian households paying for their energy usage is an unnecessary struggle. While recent reforms in the Victorian market have helped to increase the assistance available to customers facing payment difficulty, energy affordability remains a challenge for thousands of people, with more than 348,000 Victorian electricity customers behind on their bills as of 30 May 2021.[2]

The introduction of competition in 2002, and full deregulation of the Victorian energy market in 2009, failed to deliver lower energy costs for consumers.[3] Instead, high retailer profit margins indicated that energy companies were the chief beneficiaries of competition in this instance. This failure of Victoria's competitive retail market to deliver any of its touted benefit to consumers led to the Independent Review of the Electricity and Gas Retail Markets in Victoria in 2016. The panel's final report was released in 2017 and proposed a suite of changes to the operation of Victoria's retail energy market,[4] making 11 key recommendations intended to improve outcomes for consumers. Since the report's release, several reforms have been introduced to ensure price certainty, simplify contracts, and safeguard customers from being overcharged. Most significantly, the Victorian Default Offer (**VDO**) was introduced in October 2018 as a guaranteed, fair price set by the ESC and available to all customers.

At roughly the same time, the ESC was asked by the Victorian Government to inquire into best practice hardship programs for energy customers, responding to a wave of people having their power disconnected for non-payment. The result of this inquiry was the development of the PDF, which set minimum entitlements for customers facing difficulty paying their bills and stipulated that disconnection for non-payment was a measure of last resort.

It is critical to review the impact of these changes and understand if people are receiving the intended benefits. This is particularly important for people experiencing vulnerability who are most likely to be facing difficulty paying their energy bills. It's also important to review the effectiveness of support frameworks during a time of crisis, like the COVID-19 pandemic, and understand what can be learned to improve supports in future crises, such as natural disasters or subsequent pandemic outbreaks.

THIS REPORT

This is the second report into energy assistance that Consumer Action has published. The first report *'Energy Assistance Report: Tracking how Victoria's changing energy policies are impacting households in the state'* was released in July 2019.[5] The report explored whether consumers experiencing vulnerability had benefitted from recent reforms to the Victorian energy market, particularly the introduction of the PDF on 1 January 2019. This was done by analysing energy issues reported by a sample of callers to Consumer Action's financial counsellors at the National Debt Helpline (**NDH**) over 23 months, from July 2017 through to May 2019.

The previous report found that the PDF appeared to be having a positive impact since its introduction, with a significant reduction in disconnections, less people calling our financial counsellors about large energy debts and fewer inappropriate referrals to financial counsellors by retailers. However, it also found that energy companies were failing to comply with some aspects of the PDF. This led to us recommending in the report that the ESC take compliance and enforcement action to ensure energy retailers were providing the required assistance to Victorians experiencing financial hardship.

Two years on from our first report, we wanted to undertake a similar review of calls to our financial counsellors to explore ongoing compliance with the PDF, understand what assistance customers in financial hardship were receiving from their retailers, and to identify any persistent gaps in assistance. This is particularly pertinent given that the ESC has committed to undertake a review of the PDF. Despite the positives noted in the last report, we know that many Victorians continue to face difficulty paying their energy bills, with energy debts remaining one of the most common reasons people contact our financial counsellors.

2020 also brought the additional challenges associated with the COVID-19 pandemic, which is continuing to impact communities now in 2021. Multiple rounds of lockdown meant that Victorians spent roughly half of 2020 confined to their homes, which resulted in a shift in energy consumption and, for many households, significantly higher energy usage. Combined with job losses, or people having their work hours reduced, there was the potential for many more people to face difficulty paying their energy bills. This second report gives us an insight into the impact of the COVID-19 crisis on energy hardship and retailer responses to hardship.

Like the last report, this version explores trends in energy debt and hardship assistance callers received from their retailer (if any). Eighteen months of calls were reviewed, from July 2019 to December 2020. Analysis of trends in energy calls has been performed both by month across the period under review, but also by energy retailer (where the retailer was clearly identified during the call). We also explore trends by demographics, such as caller gender, age, primary source of income and their household type (e.g. whether a caller lives alone or with others).

ABOUT THE NATIONAL DEBT HELPLINE

Consumer Action's financial counsellors receive the majority of calls from Victorian residents to the NDH. The NDH is a national not-for-profit email and telephone financial counselling service providing free, confidential, and independent advice to Australians experiencing financial difficulty. There are multiple financial counselling agencies around Australia that answer calls to the NDH. This report analyses only calls from Victorians to Consumer Action's financial counsellors at the NDH and does not capture call data from other agencies.

Financial counsellors are qualified professionals who provide information, advice and advocacy to people in financial difficulty. Their services are non-judgmental, free, independent and confidential. When a person contacts the NDH, a financial counsellor will work with them to assess their debts, identify factors that may be contributing to their debt issues and provide options to address the debts. Where a person is able to self-advocate, the financial counsellor will then provide them with information and resources to draw on. Where more support is required, people can be referred to a local community-based financial counsellor who can provide further assistance and advocate on their behalf. Financial counsellors make notes in our client management system throughout

02 METHODOLOGY

SAMPLING PROCESS

To ensure consistency with the 2019 report, the exact same sampling process was applied. An explanation of the sampling process is provided below but can also be read in our previous report.[6]

We selected two consecutive days of calls to our financial counsellors each month between July 2019 and December 2020 to form the sample for this report. Consistent with the previous report, the selected days were the third Tuesday and Wednesday of each month. The original reasoning for selecting these dates was based on feedback from our financial counsellors who suggested they received a larger number of energy-related calls on these days. We are not aware of any change in call pattern since the last report was published so decided to use the same dates to maintain consistency between the two reports.

There is a one-month gap between the end of the data set from the previous report (May 2019) and start of this data set (July 2019). This is related to the introduction of new client management software in July 2019 to replace our previous system. Due to the difficulty involved in trying to export data and compare call records across two different client management systems we excluded June 2019 from the sample.

Once the days comprising the sample were identified we exported all call data for these 36 days from our client management software into a spreadsheet. This data export was then reviewed to identify all calls that clearly mentioned an energy issue. The nature of each energy issue was then further explored by a review of the case notes accompanying each call.

Each call record in our sample contained a range of general demographic information, such as a caller's year of birth, their home postcode and suburb, and their estimated income. Information about the caller's debt is also recorded – this may include the product or service involved, the creditor's name, and specific issues a caller has encountered, such as inadequate hardship assistance being offered. An explanation of the data recorded is included in Annexure A.

There are several inherent limitations to the data presented. As with the previous report, the sample was drawn from two days of calls each month. Depending on how retailer processes such as billing cycles align with these days, there is a risk that issues may be under- or overrepresented in the sample. There were also numerous people who didn't answer the phone when called back by our financial counsellors. Data from these calls could not be used in our analysis as the call records contained only minimal demographic information. It is possible there is features common to this cohort, for example a predominance of elderly callers, which may distort trends in the sample.

The introduction of new cliemt management software since the last report may also impact the data collected. As with the previous report, analysis was undertaken based on data entered in client files and accompanying case notes typed in free text. This means variances in data entry and note-taking style between financial counsellors may have impacted the data. The additional complication of the switch to new client management software in this report may also have resulted in possible under-recording of data while financial counselling staff were still adapting to the new system.

Despite these issues, we consider that this call data serves as a useful extension to individual case studies and community intelligence, allowing us to paint a picture of systemic failures and trends over a longer period than we normally report on, in this case 18 months of case data.

As with the last report, we have once again made a spreadsheet containing our full data analysis available for download on Consumer Action's website. We hope this information will prove useful to decision makers, regulators, community sector organisations and consumers interested in further exploring the data discussed in this report.

OVERVIEW OF SAMPLE

The sample referred to in this report consists of 1175 financial counselling calls taken from two consecutive days across 18 months from July 2019 to December 2020 (inclusive). Of the 1175 calls, there were 808 calls where financial counselling services were provided. The remaining 367 calls were removed from the analysis as our financial counsellors were unable to contact the person for a call back, meaning there was no information in their case notes to contribute to the analysis beyond basic personal information (name, age, gender, postcode). This is consistent with the approach taken in the previous report.

We note that this is a significantly smaller number of calls than in the last report, even accounting for the shorter timeframe under review in this report.[7] When adjusting for the shorter timeframe, the volume of calls in this sample is around a third-less than in the last report, reflective of a general decrease in calls to our financial counsellors across the period under review. We believe this decrease is largely linked to the local onset of COVID-19 and the additional supports and protections put in place by government, regulators and industry in response. This decrease was not unique to us, with other financial counselling services reporting a similar decrease in calls during 2020.[8]

Of the 808 calls where financial counselling was provided, 133 callers (16% of the sample) mentioned energy as an issue. Despite overall call volume being down in this report, the proportion of callers mentioning an energy issue has increased slightly since the previous report, where 14% of calls noted an energy issue.

As with the previous report, a spreadsheet containing the data discussed in this report has been made publicly available for download. We welcome other individuals or organisations reviewing the data and performing additional analysis.

03 OVERVIEW OF RELEVANT REFORMS

RECENT HARDSHIP PROTECTIONS

As noted in the introduction of this report, over the past few years the Victorian Government has enacted multiple reforms aimed at improving energy affordability and hardship protections for Victorian households. This section presents a brief overview of the most relevant reforms since 2018, paying particular attention to those reforms aimed at assisting people in financial hardship.

The introduction of the PDF on 1 January 2019 is the most significant reform to hardship protections in recent years. The PDF introduced a set of minimum standards of assistance which all customers are entitled to receive when having difficulty paying their bills.

Under the PDF, where a customer has missed a payment and owes more than $55, the retailer is required to provide timely advice on assistance available to them. This assistance includes:

- a payment plan to pay for usage and repay arrears within two years
- information on energy use and how to lower it
- advice on government and non-government assistance (including Utility Relief Grants) available to help people meet costs of their energy use.

Retailers are required to offer further help for people who can't afford their ongoing energy use. This additional assistance includes:

- to pay less than the full cost of energy use (although this may have to be paid later)
- a payment plan where arrears are on hold for a minimum of six months, while making reduced payments (less than ongoing usage) and try to reduce energy use
- practical help from the retailer to lower energy costs, such as using energy efficiency appliances
- ensuring people are receiving the best energy price for their circumstances.

The aim of providing this tailored assistance is to reduce the risk of customers being disconnected for not paying their bill. To this end, the PDF also put further protections in place to make disconnection for non-payment a 'measure of last resort'.[9] Energy companies are also unable to disconnect people who owe less than $300 or are on a current payment plan.

Following the introduction of the PDF, the ESC introduced additional protections for customers affected by family violence on 1 January 2020.[10] These changes required retailers to have a family violence policy and meet minimum standards of conduct related to training of frontline staff, account security and debt management. These changes aim to help prevent customers affected by family violence facing financial difficulties and keep them connected to essential services.

Alongside these hardship protections, there have also been numerous reforms aimed at reducing power costs, making energy contracts easier to understand and helping people to find better deals. Chief among these has been the introduction of the VDO, an independent electricity price set by the ESC which is available to all Victorian households, either on request or automatically applied when their on-market contract expires. While reforms such as the VDO are critically important to reducing household energy bills and preventing people accruing debt, we have omitted further discussion of these reforms here as the focus of the report is on those customers already in arrears and any hardship assistance they have received from their retailer. For a more detailed overview of recent pricing reforms, please see Consumer Action's December 2020 report *'Bills here, bills there: the lived experience of Victorian energy reform'.*[11]

COVID-19-RELATED SUPPORTS

The public health, social and economic impacts of COVID-19 saw regulators introduce several temporary measures to help customers manage their bills through the pandemic and to prevent disconnections.

On 9 April 2020, the Australian Energy Regulator (**AER**) published a Statement of Expectations (**SOE**) outlining protections for energy customers during the pandemic.[12] The AER regulates the conduct of energy retailers in Queensland, New South Wales, South Australia, Tasmania and the Australian Capital Territory (not Victoria). This included offering all residential customers in financial stress access to affordable payment plans (including a period of non-payment), ensuring customers were on the tariff most likely to minimise their energy costs, and recalculating debts using a lower cost plan if available. The SOE also contained a prohibition on disconnections where customers where in contact with their retailer about their debt or accessing retailer support, and a prohibition of referral of debt to collection agencies.[13] While the aims behind the Statements of Expectations were positive, they were not legally enforceable by regulators, and we have heard mixed reports of how closely they were followed by retailers.

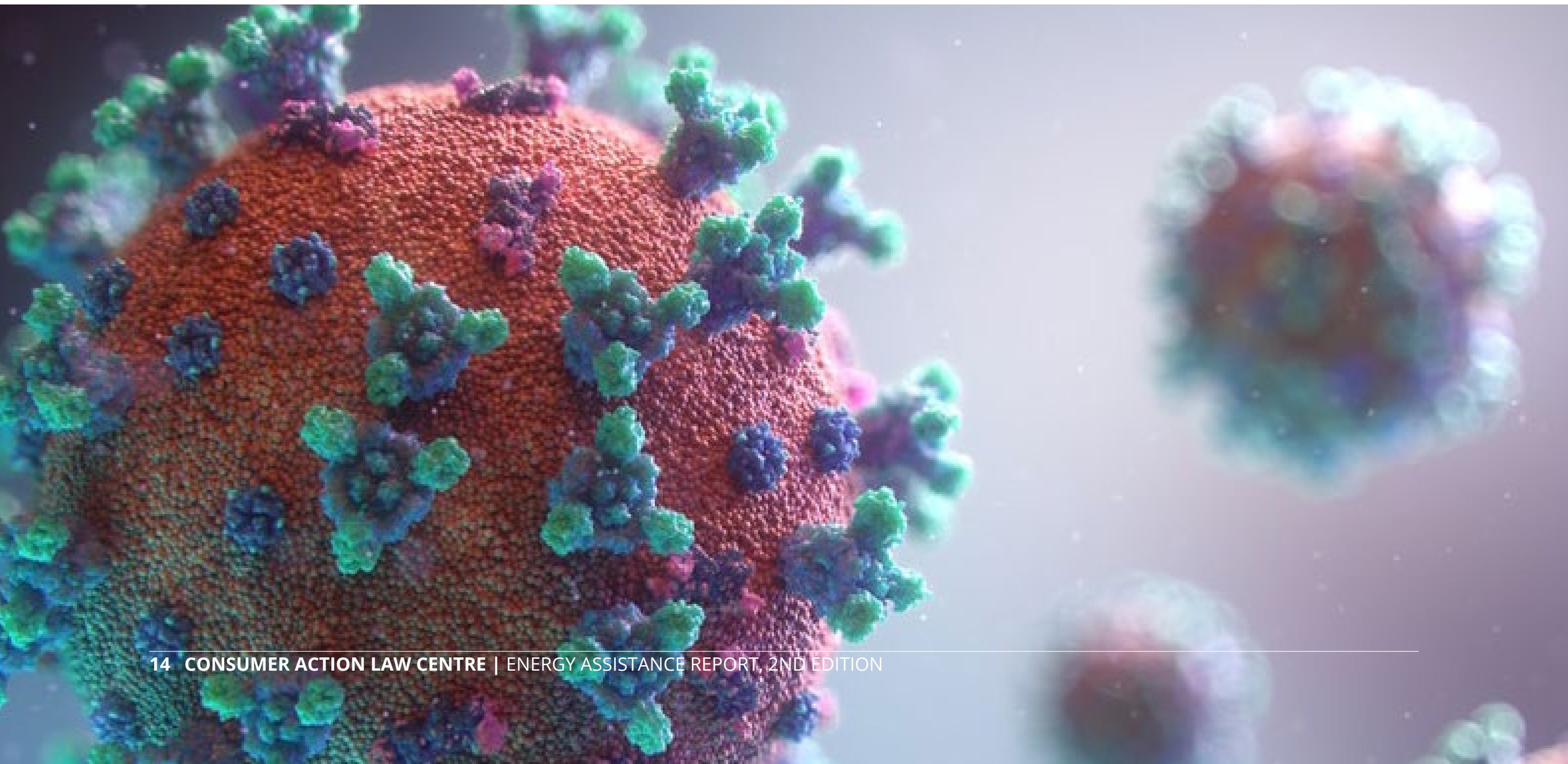
The ESC soon followed suit, issuing a letter of advice to energy companies operating in Victoria outlining a similar set of expectations. Originally lasting until 31 July 2020, these additional protections have been extended several times in recognition of the ongoing impacts of the pandemic. Both the AER's and ESC's stated expectations to retailers expired on 30 June 2021, with both regulators adding a caveat that customers should not be disconnected whenever future 'stay at home' orders come into effect.[14] This is important given at the time of finalising this report NSW is experiencing its first prolonged lockdown and Victoria is going through its sixth lockdown of 2021, making clear that the pandemic and its impacts on the community are far from over.

Further protections were introduced by the ESC in October 2020 in recognition of the continued financial impacts of the pandemic and associated lockdowns in Victoria. These included an ongoing requirement that retailers support residential customers to complete and submit URGS application forms as well as a temporary requirement that retailers conduct a tariff check for all residential customers receiving tailored assistance to ensure people are receiving the best deal for their circumstances.[15]

In order to understand the impacts of the pandemic on energy customers, the ESC also introduced additional data gathering, reporting monthly on measures such as the number of energy customers on payment plans and the average debt levels among people with arrears. This data was provided voluntarily by retailers, and not audited by the ESC.

In addition to these energy-specific supports, the Federal Government also provided income support through the introduction of JobKeeper and an increase to JobSeeker payments (formerly known as the Newstart allowance), both announced in March 2020. The $550 per fortnight coronavirus supplement added to the JobSeeker payment almost doubled the base rate of this allowance. Anecdotally, we know that this increased payment helped ease cost-of-living pressures among people who were relying on Centrelink as their primary income source pre-pandemic. Both measures have since been ended, with the JobKeeper payment finishing on 28 March 2021 and the additional coronavirus supplement for JobSeeker being decreased twice, before ending on 31 March 2021. From 1 April 2021, people on JobSeeker will be paid an additional $25 a week. COVID-19 Disaster Payments of up to $750 were also introduced for people in declared COVID-19 hotspots. However, we are concerned this still will not be enough for people to meet their basic living needs, including managing their energy bills.

Finally, the Federal Government also allowed eligible people financially impacted by COVID-19 to apply for early access of up to $20,000 of their superannuation (up to $10,000 between 20 April 2020 and 31 June 2020, and up to another $10,000 between 1 July 2020 and 31 December 2020) to help meet their expenses. More than 3 million people had applications approved, with 23% of approved applicants living in Victoria. Close to $38 billion in funds were released, with data from the Australian Tax Office showing that funds were mainly used for mortgage or rent payments (29% of applications) or household bills (27%), which would have included expenses like energy bills.[16]



04 ISSUE ANALYSIS

ENERGY CALLS

CALLS ABOUT ENERGY ISSUES BETWEEN JULY 2019 AND DECEMBER 2020

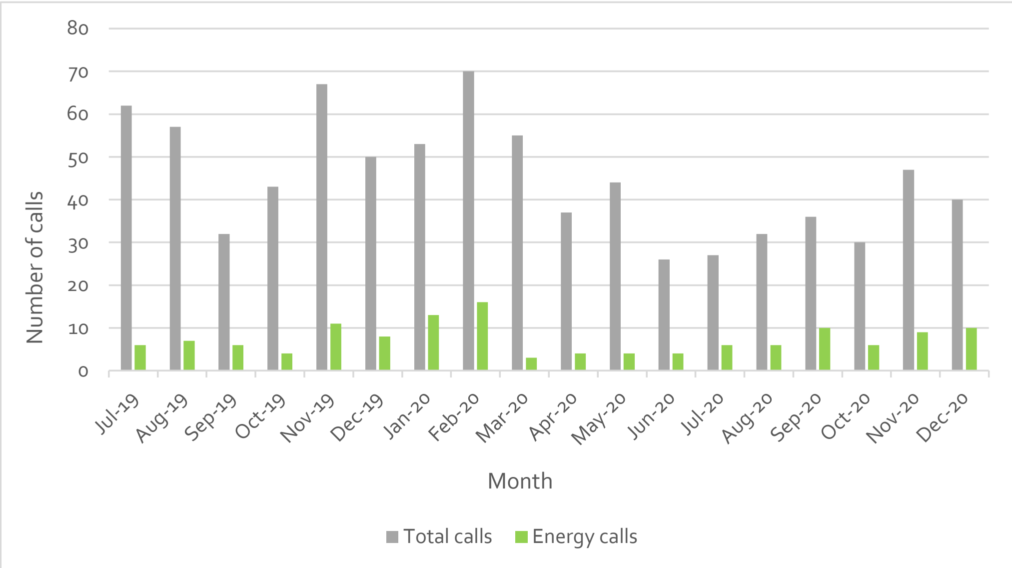


Figure 1. Number of energy calls compared to total calls (where services provided) by month

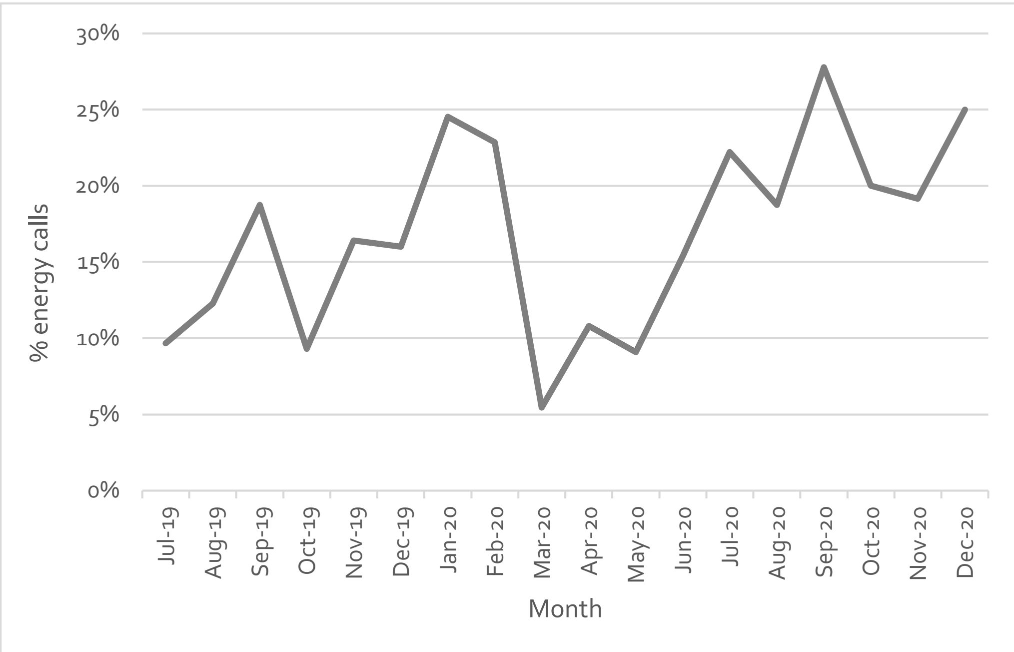


Figure 2. Proportion of calls that clearly note an energy issue by month

Our sample indicates that our financial counsellors have continued to receive a significant number of calls from people mentioning energy issues during the 18 months under review. Figure 1 compares the number of callers mentioning energy issues in each month of the sample versus all calls where financial counselling was provided. The highest number of energy-related calls in the sample came in February 2020, with 16 people calling about energy issues in the two days of calls reviewed that month, while a low of just three energy-related calls were recorded in our March 2020 sample.

In total, 133 of the 808 calls in the sample involved an energy issue (either electricity, gas or both), equating to 16% of all calls where financial counselling advice was provided. This is slightly higher than was recorded in the previous report, where 14% of people calling mentioned an energy issue.

However, as can be seen in Figure 2 the proportion of energy-related calls in our sample varied month-to-month. Energy calls in our sample were lowest in March 2020, making up only 5% of calls from people in that month, and peaked in September, where energy issues were reported in 28% of calls.

Similar month-to-month variation was also found in the previous report. These variations in call volume appear to follow a seasonal pattern aligned with times of higher energy use and billing cycles. Energy-related calls were higher in late-summer, with a second spike coming out of winter. Again, a similar pattern was found in the previous report.

The local onset of COVID-19 is also likely to have impacted the trends seen in this report. The low proportion of energy calls in our sample between March and May 2020 may be influenced by households' preoccupation with changes and uncertainty brought about by COVID-19, the protections introduced by the ESC as well as retailers proactively contacting customers to offer support during the initial months of the pandemic. The subsequent trend upwards in the proportion of energy calls in the last six months of our sample (July – Dec 2020) points to the possibility of growing energy hardship as the COVID-19 pandemic wore on.

GAS ISSUES

Gas issues were less commonly noted than electricity issues, being mentioned by 59 people. This represents 7% of total calls and 44% of energy-related calls in the sample. This is lower than in our previous report, where gas issues were noted in 10% of total calls and 70% of energy-related calls. Reasons for this difference between the two reports are unclear from the data in our sample and is something we will investigate further.

The proportion of people calling about gas issues by month is presented in Figure 3. Gas calls in our sample follow a similar pattern as electricity calls, albeit at a lower level. This suggests that there is no difference in hardship patterns between the two energy types, with call volumes increasing at times of higher energy usage. Indeed, people in energy hardship are likely to have issues with both gas and electricity if they use both fuel types – 90% of people who flagged issues with their gas bills also mentioned electricity issues when talking to our financial counsellors.

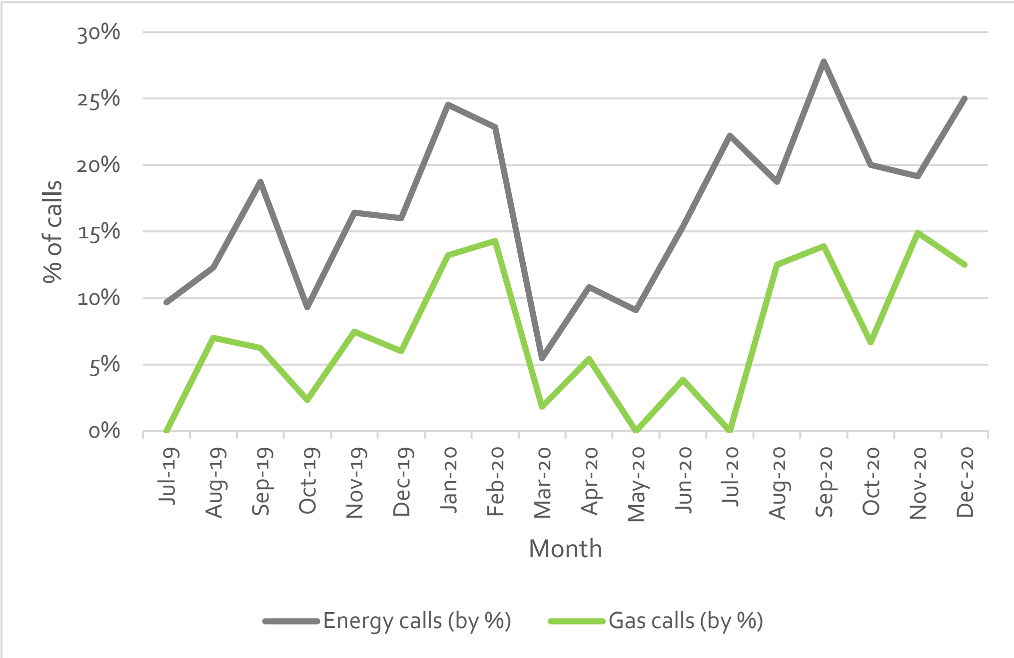


Figure 3. Gas calls compared to energy calls (as proportion of total calls) by month

NEIL'S STORY

Neil (name changed) called our service in November 2019 as the electricity had been disconnected at his house. He explained that he was in the middle of transferring to a new retailer, but still owed his current electricity provider approximately $1200.

Neil told us that he worked in hospitality, but that Centrelink was his primary source of income at the moment. He mentioned being off and on Centrelink over the past decade and that he was currently receiving a payment of $650 a fortnight. Neil also mentioned he was living by himself and paid $200 a week in rent. He also disclosed having dealt with mental health issues, but said he was currently on medication.

Neil explained that he had been making payments to his current retailer of between $50 to $70 a week and that they had told him they would not accept any less than this. He mentioned that he thought he had missed four payments, although not consecutively, before he was disconnected. Although he had spoken to his current retailer about his financial situation, he said to us that they didn't understand he is living below the poverty line. Neil told us that he remembered his retailer mentioning URGS in the past, but they did not send anything to him or clearly explain that he was entitled to the grant.

We referred Neil to EWOV to have his electricity reconnected.

OUTSTANDING ENERGY DEBT

ELECTRICITY DEBT

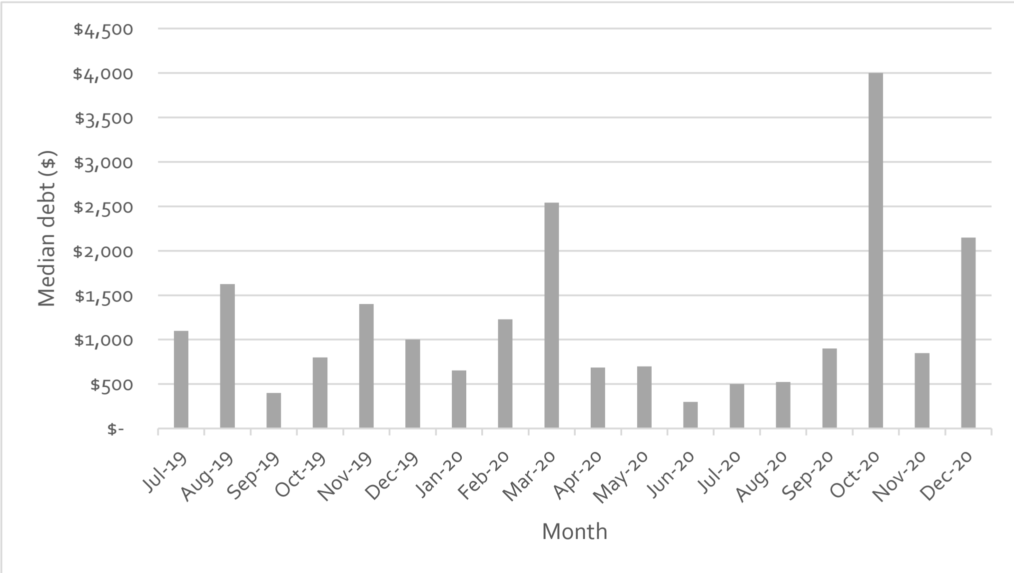


Figure 4. Median electricity debt by month

In reviewing the case notes we distinguished between energy issues where people had open (active) accounts, as opposed to debts related to closed accounts. Most people who raised energy issues, 120 of 133 calls (90%), related to open accounts. Of this number, 81 people noted the amount their accounts were in arrears. Where people mentioned having both electricity and gas debts these amounts were recorded separately so we could calculate debts for each fuel type.

When looking at median electricity debts by month, these amounts hovered roughly between $500 - $1500, save for two spikes in March 2020 and October 2020. These spikes appear to result from cases of large debts recorded in these months rather than an indication of growing electricity debt among people calling our financial counsellors. A similar pattern was observed in our previous report, albeit with slightly higher median debt amounts. Monthly median debts hovered between $1000-$1500 with two spikes in November 2018 and April 2019 where median debts of roughly $2500 were recorded.

The range of electricity debt recorded in the sample reflects the breadth of hardship cases our financial counsellors hear. Some people may be calling about a small or relatively recent debt, while other callers may have debts in the thousands of dollars, accrued over multiple years. The smallest electricity debt noted was $83, while the highest was $11,000. Figure 5 presents the minimum and maximum amounts of electricity debt mentioned by people calling our financial counsellors for each month of the sample.

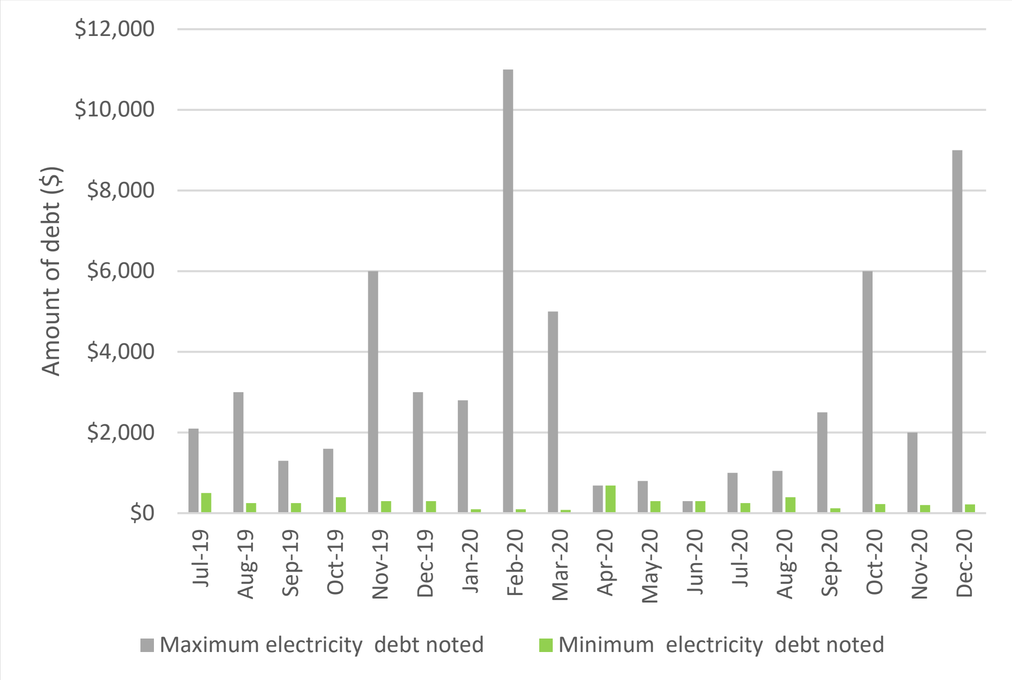


Figure 5. Maximum and minimum value ($) of electricity debt by month

GAS DEBT

As noted previously, 59 people in our sample mentioned gas issues. The amount owing was mentioned in 51 calls. The average gas debt across these calls was $1196, lower than the average electricity debt of $1611. This is consistent with feedback from our financial counsellors that where people report having debts for both fuel types, their electricity arrears are higher than their gas arrears.

Median gas debts in our sample followed a broadly similar pattern to electricity, however at a lower amount of debt. Median monthly gas debts were typically under $1000 except for three months (December 2019, February 2020, and October 2020). These spikes again appear to primarily be the result of cases of large debts recorded in these months. Monthly median gas debts are presented in Figure 6. Any gaps in the graph represent months where no gas debts were recorded in our sample.

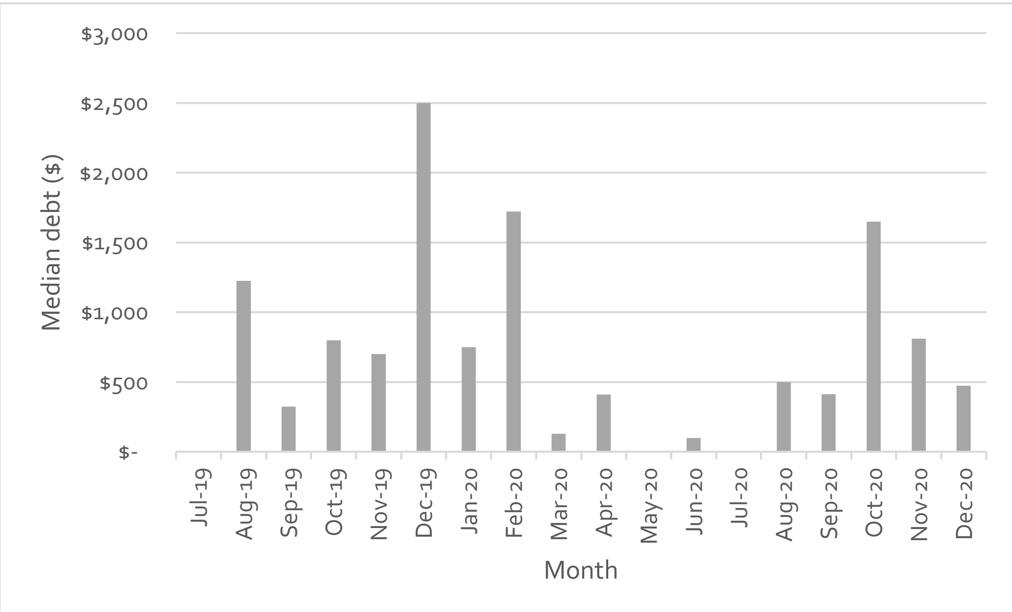


Figure 6. Median gas debt noted (by month)

CASES OF LARGE DEBT

Large energy debts (debts totalling more than $3000) were reported by 18 people in our sample (13% of energy-related calls). This is slightly less than the 15% of energy calls where people noted large debts in the previous report.

Despite the slight reduction in reported large debts, we also note that the number of cases has trended up over the period under review, with more than three-quarters of calls from people about large energy debt in our sample coming in 2020. With ESC data indicating that energy debt has increased 35% since the start of the pandemic,[17] growing debt among Victorian energy customers is cause for concern and must be urgently addressed.

Three instances of debt over $10,000 were reported. Of these three debts:

- The first was a single mother of three children, with a health condition that impacted her ability to work. This person owed approximately $13,000 for electricity and gas.
- The second was also a single mother, who had to stop working to care for her child who was dealing with mental health issues related to sexual assault. This person owed approximately $25,000 for electricity and gas.
- The final caller was again a single mother, living with her child in community housing and relying on income from the Disability Support Pension. This person owed around $11,700 for electricity and gas.

At the time they called our financial counsellors, one of these people's gas had been disconnected, while the other two had received disconnection notices related to their current debts. Two of these people had been in contact with their retailers, but from the call notes the only hardship assistance they appear to have received was being put on a fortnightly payment plan. While a payment plan is a good first step it appears their retailers did the bare minimum to support these people and potentially breached their PDF obligations in the process. Retailers should also have advised these customers of concessions or grants that could help reduce their bills, provided practical information about how to reduce energy use, and reviewed the tariffs customer were paying to ensure they were receiving the best offer for their circumstances.

The other person had not contacted their retailer prior to calling us, telling our financial counsellors that they didn't feel confident having the hardship conversation with their energy company. This reticence is understandable considering data from the Consumer Policy Research Centre which highlighted that 46% of people seeking payment assistance from their energy company reported having a negative experience.[18]

In addition to the poor hardship responses that allowed these debts to accumulate, the size of the debt involved in these three cases is particularly concerning as the amount owing makes it virtually impossible for the person to pay down the debt while also paying for ongoing usage. These cases also point to the continuing unaffordability of energy for some people despite recent reforms, and the need to explore further supports for people simply unable to afford energy costs. Furthermore, if these accounts were to be closed, these people would not only lose access to PDF protections, but the size of their energy debt alone would risk court enforcement and put them above the bankruptcy threshold—that

is, the judgment debt threshold at which a creditor can make a creditor's petition for bankruptcy (this was increased to $10,000 on 1 January 2021). This would have serious financial consequences for these people, affecting their ability to obtain future credit, their employment and possibly having assets seized and sold.

CLOSED ACCOUNT DEBT

We also analysed debts from closed energy accounts when reviewing call records. An understanding of calls to our financial counsellors where people raised issues related to closed accounts is important, as it is difficult to apply the PDF protections beyond active accounts, particularly where closed accounts may be on-sold to debt purchasers.

Fourteen people (10% of energy calls) raised issues with closed accounts. The amount of debt was recorded for 13 of these cases. The average closed account debt across these calls was $1489, with a minimum of $280 and a maximum of $7000. We have not reported on electricity and gas debt separately for closed accounts, as people tended to report total historical energy debt to our financial counsellors rather than breaking it down by fuel type.

Three of these people mentioned debt collection issues to our financial counsellors. This is particularly concerning as unfair or harsh debt collection practices can have adverse consequences for people. Aside from the stress and anguish caused (and the impact on people's ability to obtain future credit or even acquire services where a credit rating is checked, including opening new energy accounts), where closed account debt is referred to debt collection agencies people can be pressured into payments they cannot afford, as was reported by one person in our sample. These types of practices only exacerbate people's financial hardship and may lead to them under-consuming other essentials or impact their ability to keep up with their current energy bills.

ENERGY CALLS WITH OTHER DEBTS

Eighty-four people calling about energy issues in our sample (63% of energy callers) reported having other debts such as credit cards, payday loans, buy now pay later debts or rental arrears. This is an increase on the proportion in the previous report, where 57% of energy callers reported having additional debts. The high number of energy callers with other debts in our sample aligns with feedback from our financial counsellors that people tend to prioritise paying their energy bills, so in cases where people are unable to afford to pay their energy bills, this is usually indicative of broader financial hardship and additional debts.

The proportion of energy callers with other debts each month is presented in Figure 7. Across our sample, the number of people calling about energy issues who had other debts was broadly similar each month, except for a noticeable drop in the period from March to July 2020. Across these five months, on average only 35% of people calling about energy issues reported having other debt during the call.

This dip between March and July 2020 appears to be linked to the onset of COVID-19. Most people in our sample typically called our financial counsellors to discuss existing debt (both relating to energy and other products and services). However, across the early months of lockdowns in Melbourne – which commenced in March 2020 – there were numerous calls from people proactively contacting our financial counsellors before accruing debt. These callers were however facing imminent hardship, expressing worry about how they would pay their energy bills (and often their rent) due to either having their work hours cut or losing their job entirely.

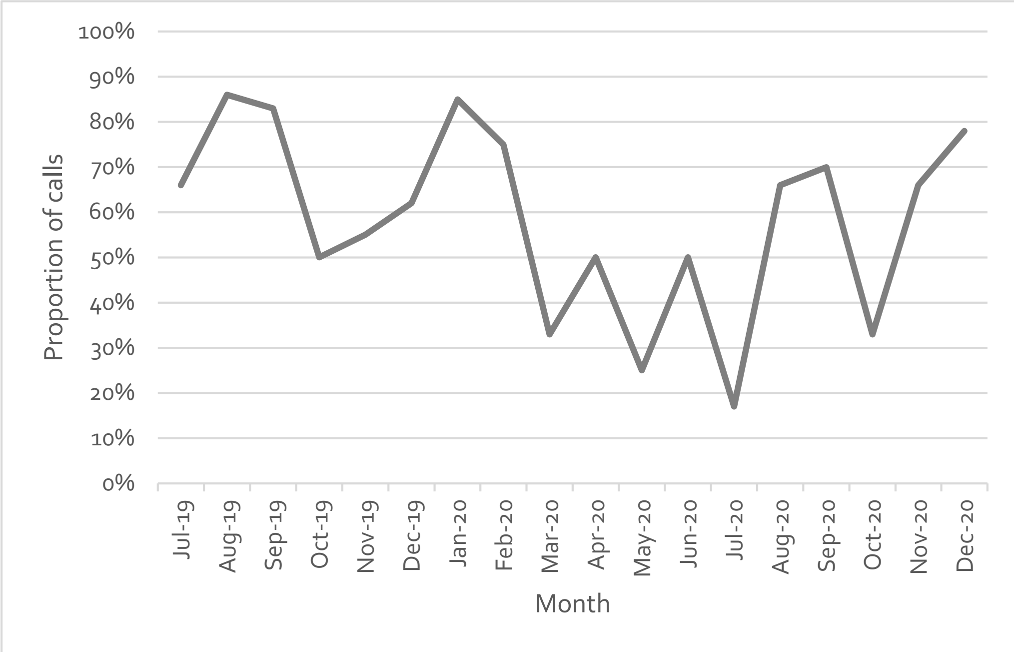


Figure 7. Proportion of energy calls where other debts noted (by month)

LAUREN'S STORY

Lauren (name changed) was referred to us by her electricity company in November 2019. Lauren told us that she had different providers for electricity and gas and owed approximately $1400 for her electricity and $400 for her gas. She mentioned that she was on a payment plan of $50 a fortnight for each utility and had requested URGS for both her electricity and gas but had not yet received any payment.

Lauren told us that her work was seasonal, so she was employed approximately 7 months of the year and on Centrelink when she was not working. She said that she earned approximately $750 per fortnight, but the exact amount fluctuated depending on her work. Lauren also told us that she lived with her adult daughter.

Lauren said that due to her fluctuating income, her payment plans for her energy were sometimes not affordable. Lauren also told us that she had been unwell, which meant she was unable to work and was not able to make any payments for a period of time.

Lauren said that she had spoken to her electricity company, and they were insisting she set up a new payment plan of at least $50 per fortnight. Lauren said to us she told her provider that this was not affordable for her, but they would not accept any less and would not provide any additional assistance.

We advised Lauren on the assistance energy companies are required to provide people who are having difficulty paying their bills, including accepting payments plans nominated as affordable by the customer. We told Lauren to work out a regular amount she could afford to pay and that if her provider refused to accept this amount, she should complain to the ombudsman. We also advised her to contact the ombudsman immediately if her electricity was disconnected.

DISCONNECTIONS

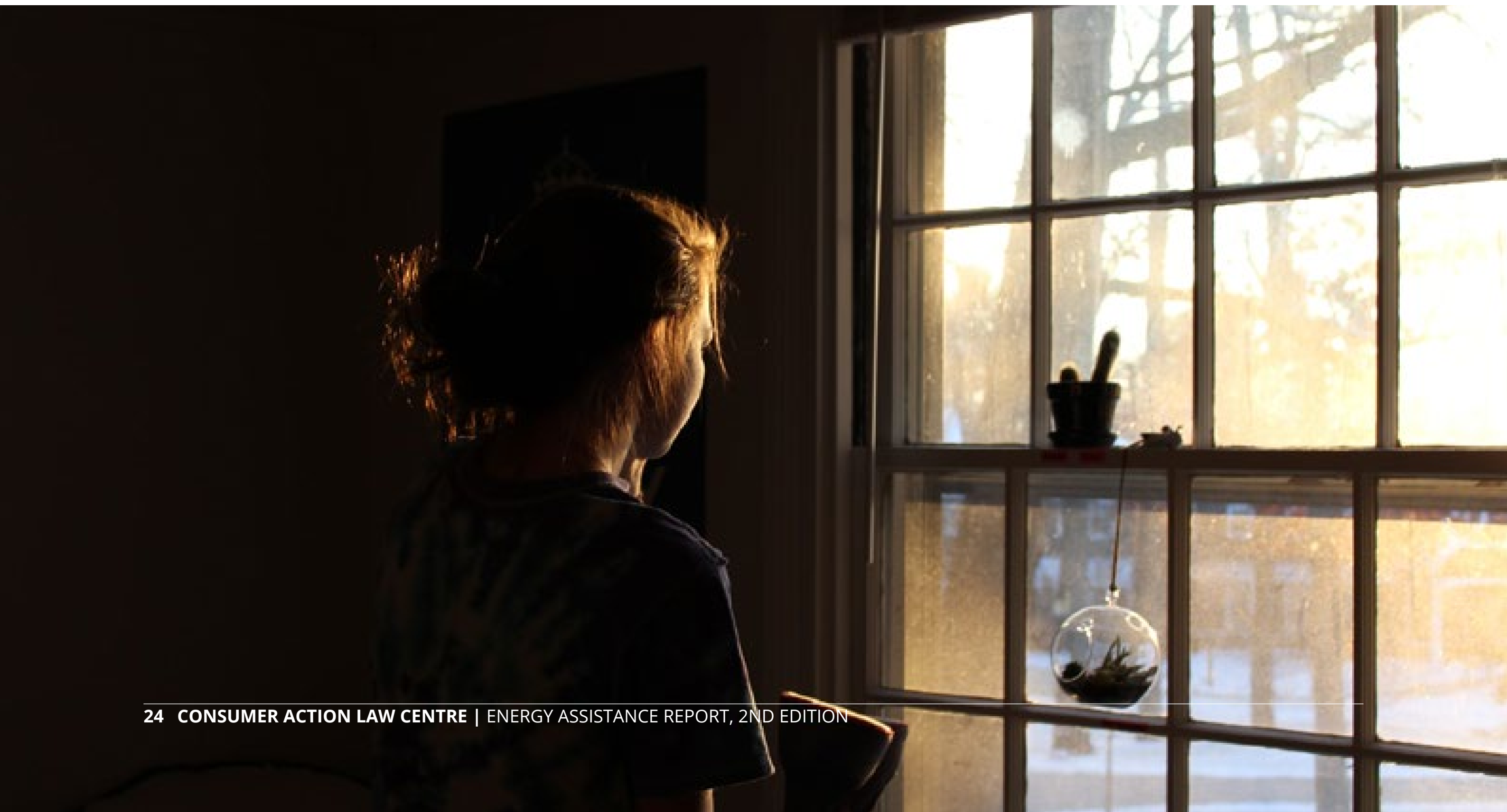
ACTUAL DISCONNECTIONS

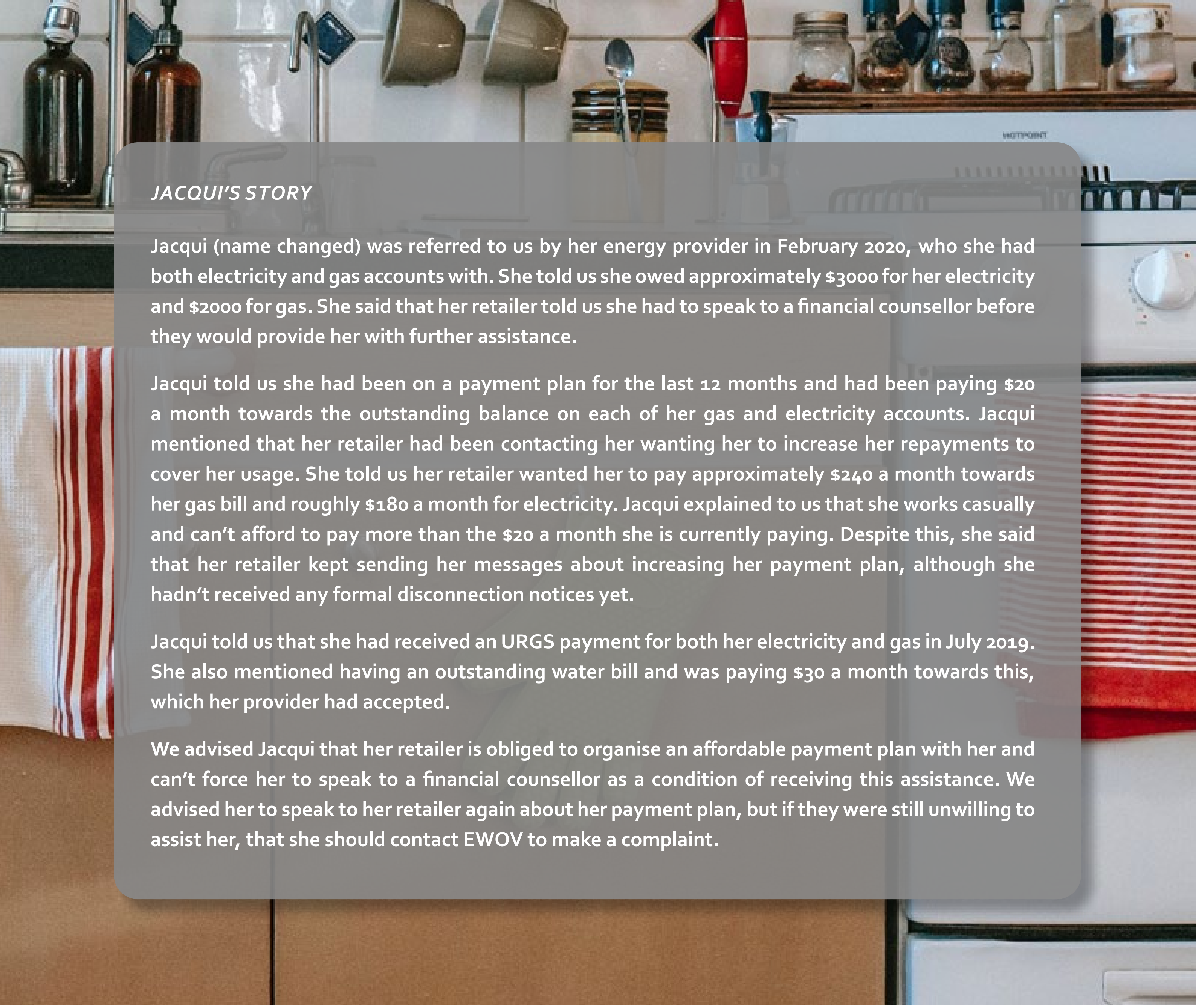
Following on from the decrease in disconnections during the previous report after the introduction of the PDF, only two disconnections were recorded in this sample – one in November 2019 and a second in February 2020. This equates to disconnection being mentioned in just 1.5% of energy calls, compared to 7% of calls in the previous report. The same retailer (Alinta) was responsible for both disconnections recorded in the sample.

However, it is difficult to draw comparisons between the two reports due to the impacts of the pandemic. Rates of disconnection were no doubt influenced by the ESC's advice to retailers discouraging disconnection for non-payment across most of 2020.

Positively, it appears from our data that retailers and distributors respected the ESC's advice to industry with no disconnections recorded in our sample after March 2020. Outside of the sample, we were also not aware of any calls to our financial counsellors mentioning energy disconnection between March and November 2020. We received our first disconnection-related call on 10 December 2020, with the person having been disconnected despite being in contact with their retailer. This case led to a story in *The New Daily*,[19] which uncovered that Sumo, the retailer involved, had disconnected about 400 people for non-payment of their bills in December 2020.

While this support to keep people connected during 2020 was a positive development, disconnections have since recommenced, with more than 8,000 residential electricity and gas disconnections in the six months between 1 December 2020 and 31 May 2021.[20] This is particularly troublesome given that many Victorians continue to face the social and economic impacts of COVID-19 (and both Victoria and NSW are in lockdown at the time of writing) and comes despite the ESC's advice to





JACQUI'S STORY

Jacqui (name changed) was referred to us by her energy provider in February 2020, who she had both electricity and gas accounts with. She told us she owed approximately $3000 for her electricity and $2000 for gas. She said that her retailer told us she had to speak to a financial counsellor before they would provide her with further assistance.

Jacqui told us she had been on a payment plan for the last 12 months and had been paying $20 a month towards the outstanding balance on each of her gas and electricity accounts. Jacqui mentioned that her retailer had been contacting her wanting her to increase her repayments to cover her usage. She told us her retailer wanted her to pay approximately $240 a month towards her gas bill and roughly $180 a month for electricity. Jacqui explained to us that she works casually and can't afford to pay more than the $20 a month she is currently paying. Despite this, she said that her retailer kept sending her messages about increasing her payment plan, although she hadn't received any formal disconnection notices yet.

Jacqui told us that she had received an URGS payment for both her electricity and gas in July 2019. She also mentioned having an outstanding water bill and was paying $30 a month towards this, which her provider had accepted.

We advised Jacqui that her retailer is obliged to organise an affordable payment plan with her and can't force her to speak to a financial counsellor as a condition of receiving this assistance. We advised her to speak to her retailer again about her payment plan, but if they were still unwilling to assist her, that she should contact EWOV to make a complaint.

industry not to disconnect customers remaining in place until 30 June 2021.

THREAT OF DISCONNECTION

Disconnection threats followed the same trend as actual instances of disconnection, decreasing in this sample compared to the previous report. Just seven disconnection threats were recorded in this period (5% of energy calls), compared to 34 threats of disconnection in the previous report (13% of calls).

Again, this decrease is likely due to the ESC's advice to retailers not to disconnect people during large parts of 2020. However, the positives of this trend are countered by the fact that three of the seven threats reported by people in our sample were made between August and December 2020, a time when retailers were still being advised by the ESC not to disconnect customers who were in financial difficulty. This is particularly poor conduct and suggests disconnection threats are still being used to intimidate people into paying arrears. Not only do these threats cause undue stress to people, but the looming spectre of disconnection can also be used by retailers to coerce people into paying more than they may be able to afford.

ACCESS TO HARDSHIP ASSISTANCE

INAPPROPRIATE REFERRALS

With the introduction of the PDF, retailers were prevented from placing conditions on people accessing hardship assistance, including requiring customers to speak to a financial counsellor before receiving assistance. As with the previous report, wherever people's energy companies had required them to speak with our financial counsellors before they would provide hardship assistance, we recorded the call as involving an 'inappropriate referral'.

Nine people with energy issues in our sample (equating to 7% of energy calls) had been inappropriately referred by their retailer. This represents a noticeable improvement from the previous report, where 56 cases (22% of energy calls) of inappropriate referrals were recorded.

Four retailers were mentioned by callers in relation to these referrals. A single retailer – Alinta -was responsible for four of these referrals, all coming in February and March 2020. Additional inappropriate referrals from Alinta during the same period were also recorded outside of the sample, which resulted in us making a formal complaint to the ESC about this conduct. The subsequent investigation found Alinta breached the PDF by putting barriers in the way of customers receiving hardship assistance, including requiring people to speak to a financial counsellor, resulting in a $1.125 million fine.[21]

We note that it was often difficult to identify whether a referral from a person's energy retailer was appropriate or not based on the call notes. Our financial counsellors will often assist a caller regardless of whether they should have been referred to us. Inappropriate referrals were only recorded where it was explicitly clear from call notes, so it is possible that our data underestimates the scale of the problem.

However, financial counselling services do want to encourage appropriate referrals from retailers. To this end, Financial Counselling Australia have produced guidance for retailers[22] outlining what to do before making a referral, who to refer people to and the steps to follow when making a referral.

UNAFFORDABLE PAYMENT PLANS

The PDF notes that the aim of tailored assistance is for customers to, "...repay their appears in a manageable way," with the qualification that arrears are repaid within two years.[23] Retailers are also provided with the flexibility to extend payment plans beyond two years in response to the customer's circumstances. However, across our sample there appears to be a tension between the amounts people can afford to pay versus the need to pay off arrears within two years. Nineteen people in our sample who called about energy debt reported having accepted (or being pressured to accept) unaffordable payment plans. This represented 14% of energy calls in our sample, or roughly 1 in 7 callers. Two retailers, AGL and Alinta, were between them responsible for more than half of the 19 cases reported (five calls each).

As can be seen from Figure 8, people mentioning unaffordable payment plans appeared steadily across the sample, suggesting this is an ongoing issue for customers receiving payment assistance, rather than being an isolated problem.

While this is an improvement on the previous report, where 23% of callers

reported unaffordable payment plans, continued cases of unaffordable payment plans are problematic for customers. When people are pressured to pay more than they can afford, they are forced to either access credit or forego other essentials to keep meeting their energy payments, which only further compounds people's financial hardship and undermines their wellbeing. The ESC's upcoming review of the PDF should examine the two-year timeframe for repayment, looking to find a better balance between affordability and timely repayment of arrears.

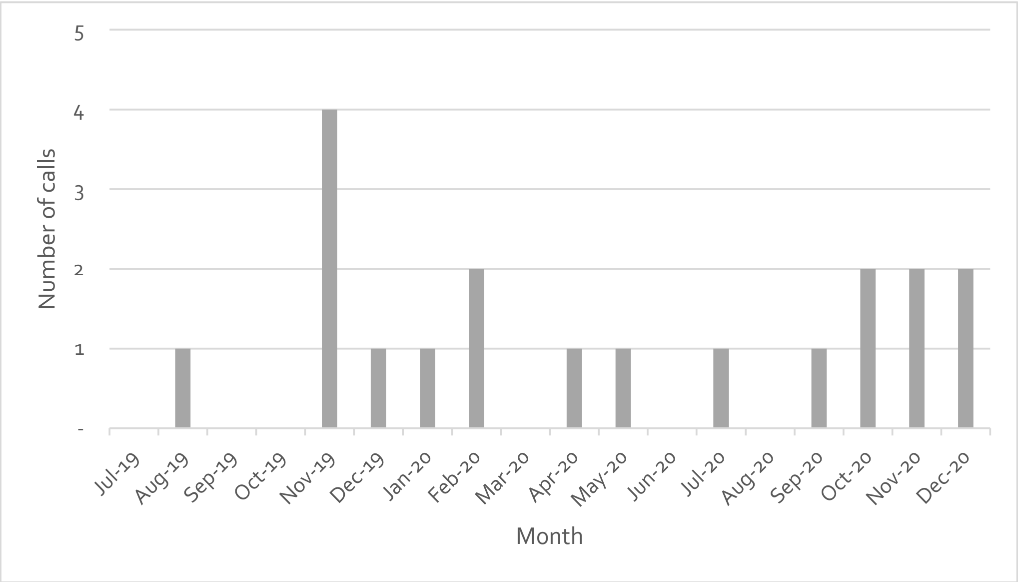


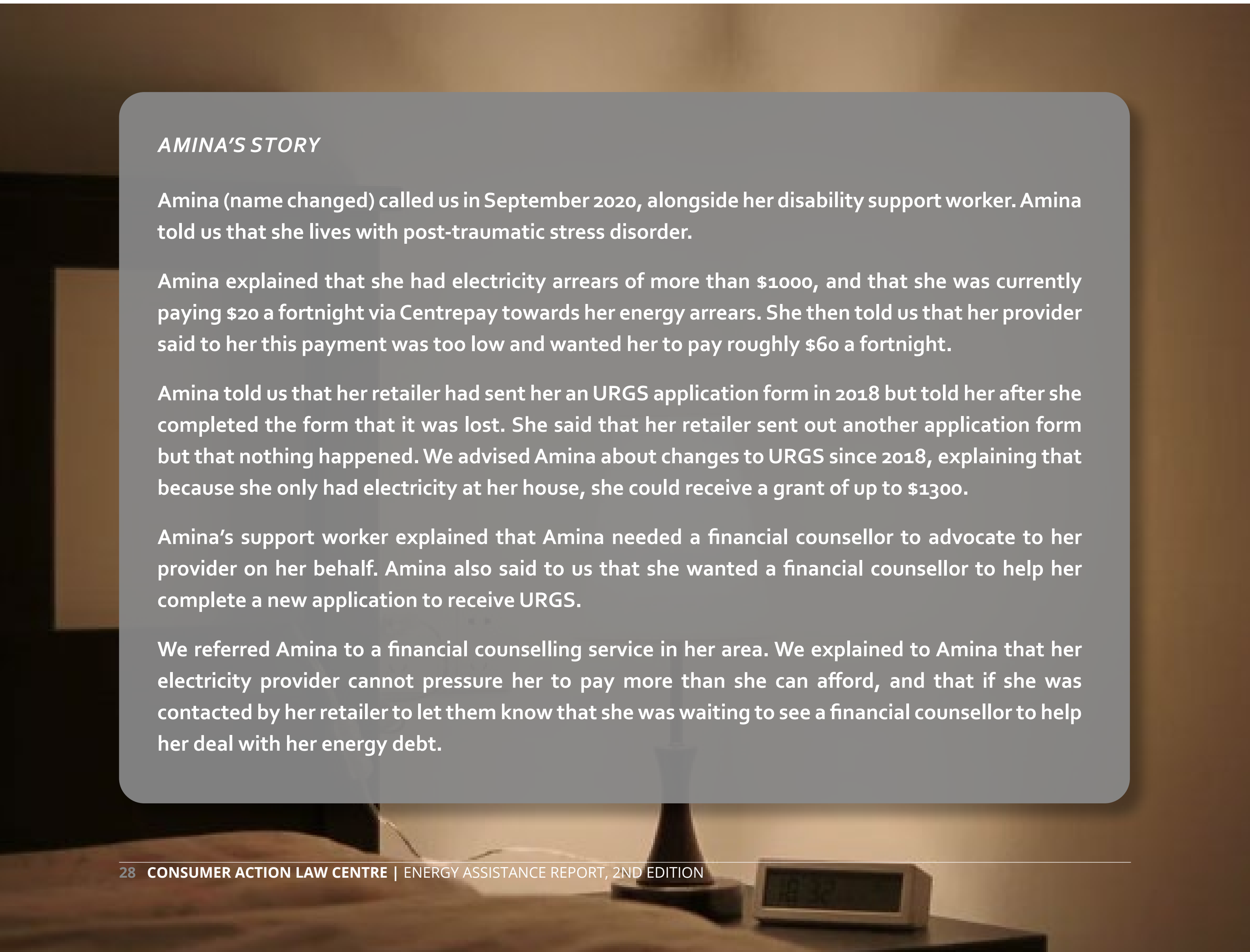
Figure 8. Number of cases involving unaffordable payment plans (by month)

UTILITY RELIEF GRANTS

The PDF requires retailers to provide advice on other assistance available to customers in their hardship programs. This includes information about URGS and other energy concessions. Further reforms were introduced in October 2020, with retailers required to support residential customers to complete and submit URGS application forms.[24]

Continuing from the previous report, we continued to see people experiencing barriers to accessing URGS in this sample. Seventeen energy calls in the sample (13%) involved people who were likely eligible for URGS either not being informed about the grant by their retailer, being given incorrect information about the grant, or not being assisted to complete the form. Two retailers, AGL and Alinta, were responsible for 10 of these 17 cases. The proportion of calls where URGS was not offered even though the caller was likely eligible was only slightly down from the last reporting period (16% of energy calls).

With energy retailers currently designated as gatekeepers for people to access URGS, it is a problem if they are regularly failing to assist their customers to access the grant. The amount of the grant—up to $650 per utility, or $1300 for customers using only electricity—can assist people facing unexpected hardship to significantly reduce their arrears. Assuming a person had an electricity debt of $1611 (the average in our sample), if that person were to receive the full $1300 grant their debt would be cut by 80%.



AMINA'S STORY

Amina (name changed) called us in September 2020, alongside her disability support worker. Amina told us that she lives with post-traumatic stress disorder.

Amina explained that she had electricity arrears of more than $1000, and that she was currently paying $20 a fortnight via Centrepay towards her energy arrears. She then told us that her provider said to her this payment was too low and wanted her to pay roughly $60 a fortnight.

Amina told us that her retailer had sent her an URGS application form in 2018 but told her after she completed the form that it was lost. She said that her retailer sent out another application form but that nothing happened. We advised Amina about changes to URGS since 2018, explaining that because she only had electricity at her house, she could receive a grant of up to $1300.

Amina's support worker explained that Amina needed a financial counsellor to advocate to her provider on her behalf. Amina also said to us that she wanted a financial counsellor to help her complete a new application to receive URGS.

We referred Amina to a financial counselling service in her area. We explained to Amina that her electricity provider cannot pressure her to pay more than she can afford, and that if she was contacted by her retailer to let them know that she was waiting to see a financial counsellor to help her deal with her energy debt.

ENERGY RETAILERS

People often provide the name of their energy retailer when speaking to our financial counsellors. Wherever a retailer was named this was recorded. The caller's energy provider was identified in roughly three-quarters of energy-related calls (99 calls).

Fifteen large and medium retailers serve 99% of Victoria's residential energy customers between them.[25] A total of thirteen different retailers (all large and medium retailers) were mentioned in energy-related calls in our sample. Of the fifteen biggest retailers, only two medium retailers (Powerdirect and GloBird Energy) were not represented in the sample.

In terms of the most mentioned retailers, the top three most often mentioned by callers were AGL (21% of energy related calls), Alinta (11%) and Origin (9%).

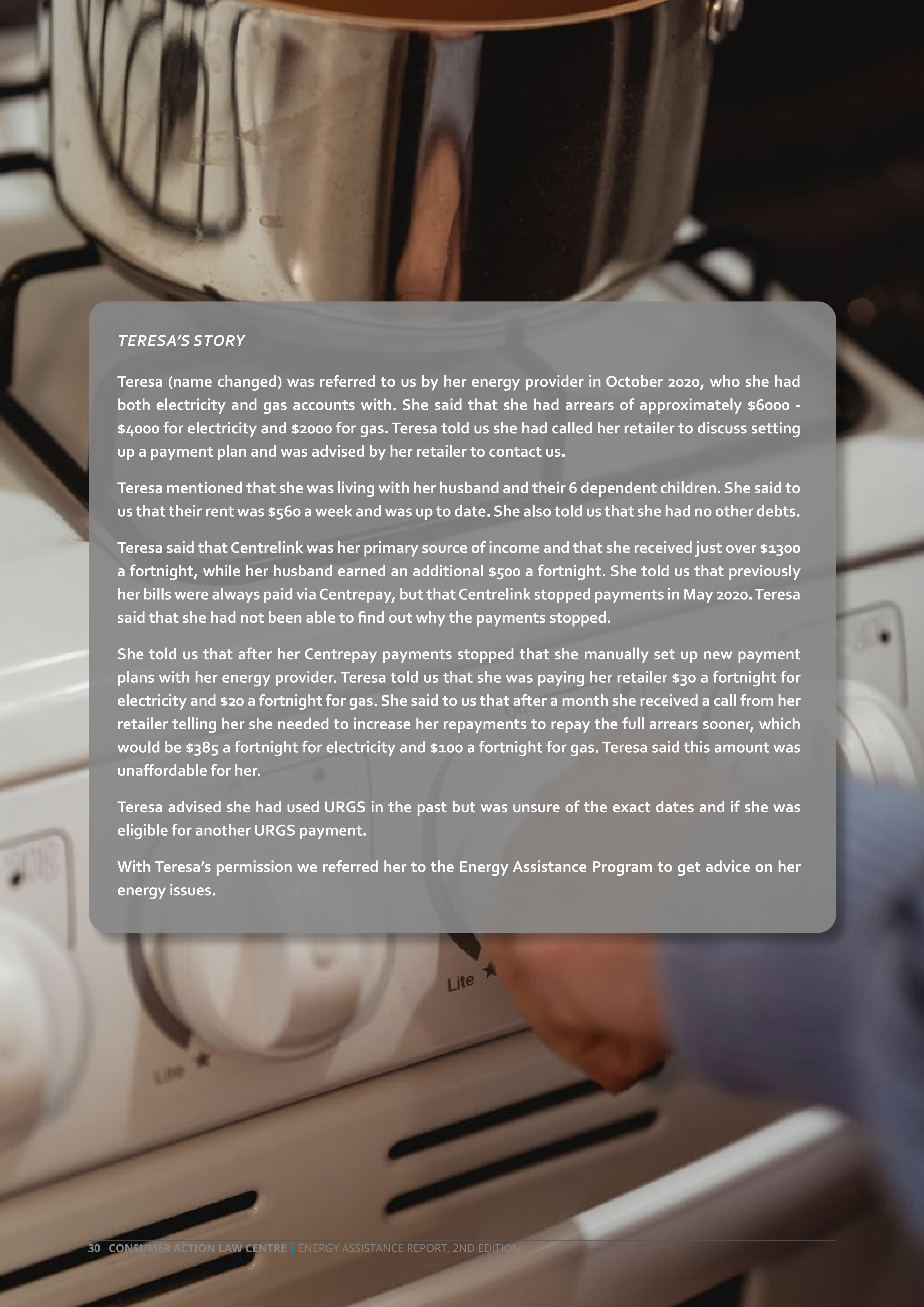
However, given the vast differences in market share between retailers it is essential to look at calls proportionate to the number of customers each energy company has. Table 1 outlines the number of times retailers were identified in calls in our sample, the proportion of calls about each retailer and their market share.

When comparing market share with raw call numbers, Alinta was the only retailer who had proportionally more calls than market share, being named in 11% of energy calls to our financial counsellors, despite having only a 5% share of the Victorian energy market.

Four retailers (Energy Australia, Origin, Red Energy and Simply Energy) were mentioned less often than their market share. Calls about the remaining eight retailers (AGL, Click Energy, Dodo, Lumo, Momentum, Powershop, Sumo, Tango) generally reflected their market share.

Table 1. Energy calls by retailer (number and proportion), compared to market share

RETAILER	NUMBER OF CALLS	PROPORTION OF ENERGY CALLS (%)	RETAILER MARKET SHARE (%)
AGL	28	21	22
Alinta	15	11	5
Click Energy	3	2	2
Dodo	4	3	2
Energy Australia	8	6	15
Lumo	8	6	5
Momentum	4	3	4
Origin	12	9	17
Powershop	1	1	3
Red Energy	7	5	9
Simply Energy	7	5	9
Sumo	1	1	1
Tango	1	1	2
Unknown	34	26	n/a



TERESA'S STORY

Teresa (name changed) was referred to us by her energy provider in October 2020, who she had both electricity and gas accounts with. She said that she had arrears of approximately $6000 - $4000 for electricity and $2000 for gas. Teresa told us she had called her retailer to discuss setting up a payment plan and was advised by her retailer to contact us.

Teresa mentioned that she was living with her husband and their 6 dependent children. She said to us that their rent was $560 a week and was up to date. She also told us that she had no other debts.

Teresa said that Centrelink was her primary source of income and that she received just over $1300 a fortnight, while her husband earned an additional $500 a fortnight. She told us that previously her bills were always paid via Centrepay, but that Centrelink stopped payments in May 2020. Teresa said that she had not been able to find out why the payments stopped.

She told us that after her Centrepay payments stopped that she manually set up new payment plans with her energy provider. Teresa told us that she was paying her retailer $30 a fortnight for electricity and $20 a fortnight for gas. She said to us that after a month she received a call from her retailer telling her she needed to increase her repayments to repay the full arrears sooner, which would be $385 a fortnight for electricity and $100 a fortnight for gas. Teresa said this amount was unaffordable for her.

Teresa advised she had used URGS in the past but was unsure of the exact dates and if she was eligible for another URGS payment.

With Teresa's permission we referred her to the Energy Assistance Program to get advice on her energy issues.

05 DEMOGRAPHIC ANALYSIS

INCOME SOURCE

Of the 808 calls in the sample where financial counselling advice was provided, 28% of all callers reported a Centrelink payment as their primary income source.

However, energy-related callers are much more likely to have Centrelink as their main income source, with 49% of people calling about energy issues reporting a Centrelink payment as their primary source of income (65 energy calls). This is comparable to the last report, where just over 50% of energy callers reported Centrelink as their primary income source.

Anecdotally our financial counsellors reported that the increased rates of Centrelink payments during COVID-19 helped ease cost of living pressures (including paying energy bills) for many people reliant on these payments. However, this was not reflected in this sample with the proportion of energy-related callers who reported Centrelink as their primary income source broadly consistent before and after March 2020 when JobKeeper and the JobSeeker supplement was introduced.

Regardless, across both energy assistance reports it is clear that people on Centrelink

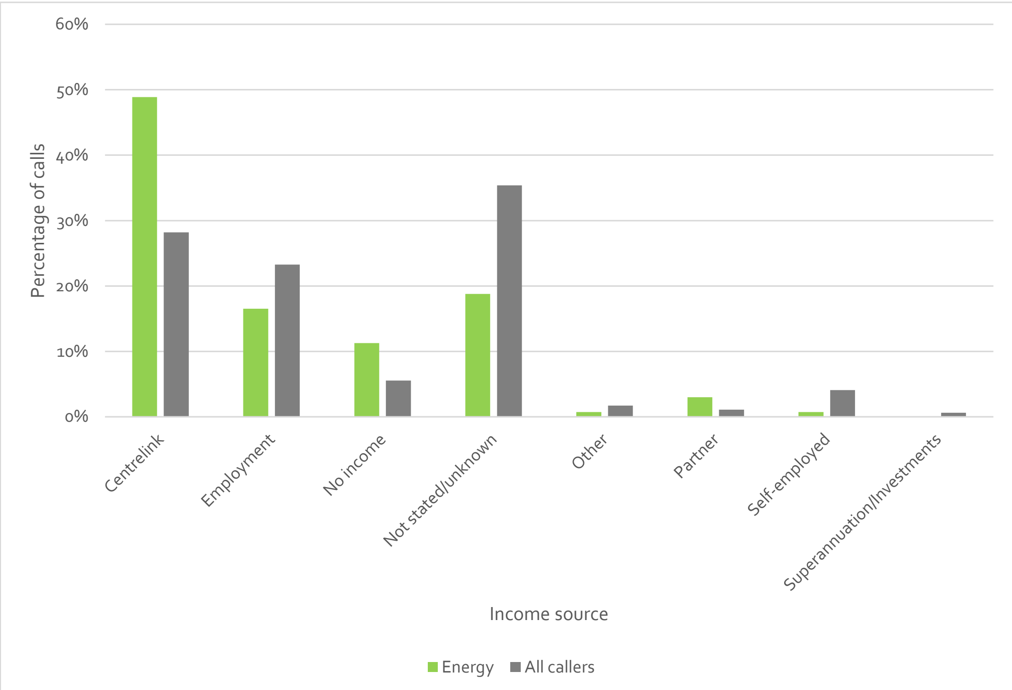


Figure 10. Proportion of callers by income type

payments are often struggling to afford even the essential costs of living when compared to others in the community. Permanently increasing the base rate of these payments to match the current pension, as advocated for by the Australian Council of Social Service,[26] would significantly help with energy affordability.

GENDER

Our sample revealed that women are slightly more likely to call our financial counsellors than men in general, with 53% of callers in our sample identifying as female.[27] However, when focused just on energy-related calls women were overrepresented, with female-identifying callers making up 71% of all energy calls.

This follows the trend in the previous report, albeit more pronounced, where two-thirds of energy calls in the previous report came from women. This gendered dimension to energy hardship is consistent with other research, with the Victorian Council of Social Service finding that 60% of people in persistent energy hardship were women.[28] While not aware of research into the gendered aspects of energy hardship, there is a large body of work which shows women are more likely to experience general financial hardship than men, due to a myriad of reasons including the gender wage gap and lower rates of workforce participation,[29] and the impacts of family violence and economic abuse.[30]

FAMILY TYPE

More than half of energy-related calls came from people living alone (30% of calls) or single parents with dependent children (22%). This is consistent with the findings of our previous report.

Figure 11 presents the proportion of calls by family type, comparing the proportions for all callers in our sample versus the proportions for energy-related calls. Energy hardship was most overrepresented among single parents.

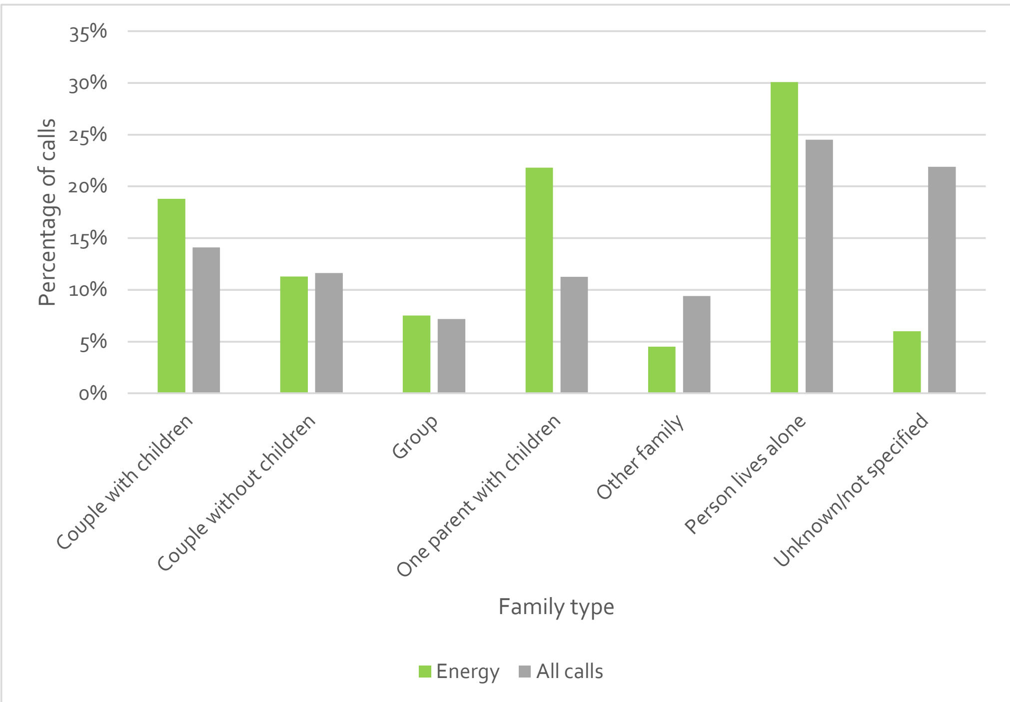


Figure 11. Proportion of callers by family type

HOUSING

People calling our financial counsellors in relation to energy issues in the sample were most commonly in private rentals (54% of energy calls), followed by people who owned their home (23% of calls). Renters made up a larger proportion of energy calls than they did general NDH calls, where they made up only 38% of callers.

Calls about energy issues were also most frequently from renters in the previous report. This is due to the combination of people who rent typically having fewer financial resources than people who own their home, while also having had less ability to improve the energy efficiency of their home as these changes are typically at the discretion of their landlord.

The household energy savings package announced in the 2020-21 Victorian Budget will help address some of these barriers.[31] By introducing minimum energy efficiency standards for rented homes and providing rebates for low-income households to replace existing heaters with reverse cycle split systems, people may be able to reduce their energy bills and heat and cool their homes more efficiently.

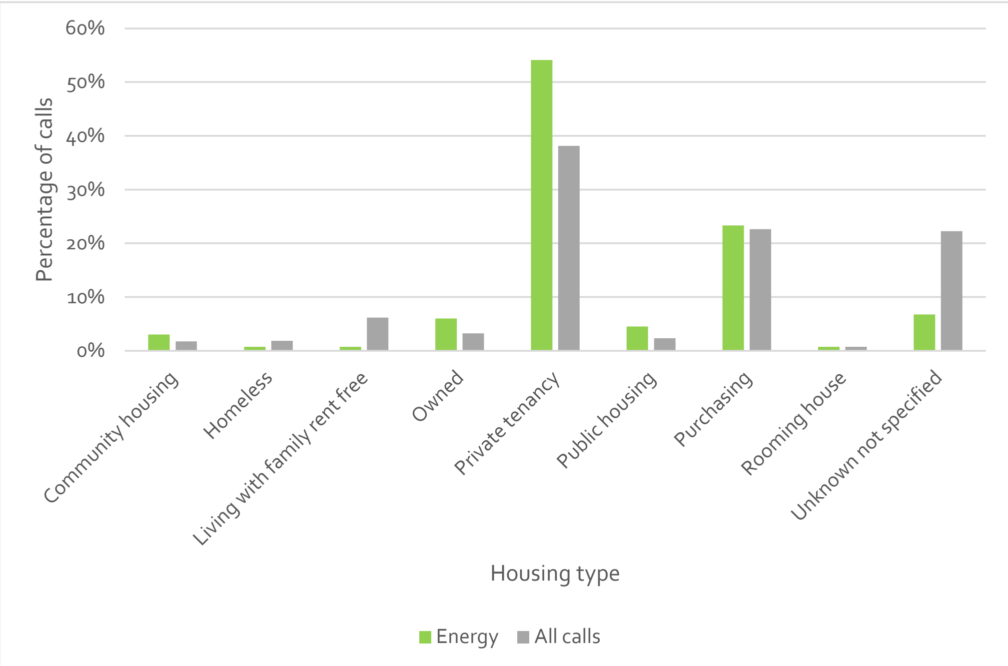


Figure 12. Proportion of callers by housing type

LANGUAGE OTHER THAN ENGLISH SPOKEN AT HOME

In our sample, 27% of energy-related calls came from someone who spoke a language other than English at home. This is slightly higher than the proportion of all callers to our financial counsellors (22%), and an increase in the proportion of energy-related calls from culturally and linguistically diverse (**CALD**) callers in the previous report, where they made up 18% of energy callers. For reference, approximately 28% of Victorian households speak a non-English language at home.[32]

This higher number of CALD callers mentioning energy issues continues a trend from the previous report. Other data points to increased payment difficulty among CALD consumers since the onset of COVID-19, with a recent report by the Consumer Policy Research Centre highlighting that people from a CALD background missed energy bill payments at a higher rate than the broader population.[33] The same report also highlighted that people from a CALD background sought payment assistance for energy bills, both directly from their retailer and through government concessions, at more than double the rate of the wider population.

Given these trends, it appears that more effort is required to ensure people from a CALD background are receiving appropriate assistance from their retailer, including PDF entitlements, in order to reduce energy-related hardship.

AGE

Energy-related calls in our sample most commonly came from people in the 40-49 age bracket (26% of calls). This is slightly older than the age of all callers to our financial counsellors in our sample, where the highest proportion of callers were aged between 30-39 (21%).

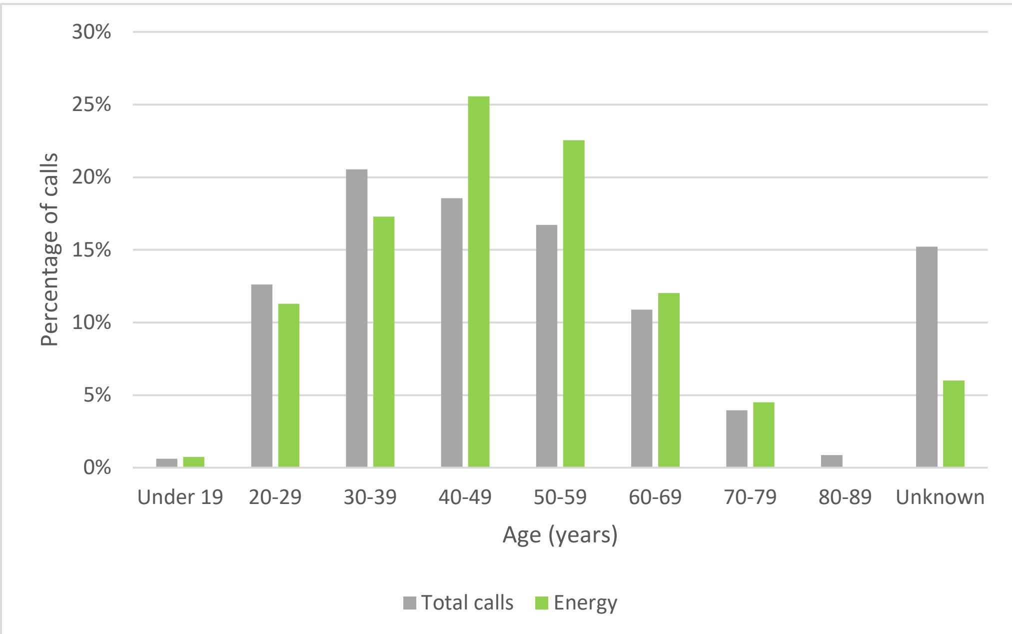


Figure 13. Proportion of callers by age

FLAGGED VULNERABILITY

LIFE EVENT

During a call, a financial counsellor can flag where a 'life event' has contributed to financial difficulty. Examples of a life event could include, but are not limited to, losing a job, health challenges such as serious illness or injury, or taking on caring duties.

Life events were commonly flagged in the sample of all calls, being flagged in 48% of calls. However, life events were more frequently flagged in energy cases, being mentioned by 91 energy callers in our sample (68% of energy-related calls).

This represented a significant increase over the previous report, where 21% of all callers and 45% of energy calls noted a life event contributing to their financial difficulty.

Given the high rate at which unexpected life events are involved in energy hardship, these issues clearly need to factor more prominently in hardship practices, both in how retailers are assessing customers circumstance and providing assistance, and also via increased support from government for people impacted by different life events.

MENTAL HEALTH

Our financial counsellors can also select from several specific vulnerability flags. Mental health issues are among the most common vulnerability types flagged during calls to our financial counsellors.

Seventeen percent of people calling about energy issues in our sample said they were living with mental health challenges, compared to 11% of all callers. In the previous report 13% of energy callers noted mental health challenges, with reports trending upwards over time. The continued increase in this report suggests that mental health issues may be involved in a growing number of energy hardship cases.

Recognising the frequency in which mental health issues are linked with energy hardship our previous report recommended that *"...essential service providers, including utility companies, need to develop their understanding of the challenges that their customers with mental health problems face and develop universal design and mental health standards in their provision of services"*.[34]

As both the ESC and the AER develop strategies to support customers experiencing vulnerabilities, the continued prevalence of mental health issues among energy callers suggests supporting people living with mental health challenges should be a priority area for action.

FAMILY VIOLENCE

Eight percent of energy callers reported having been affected by family violence, slightly more than the 6% among all callers in the sample. This pattern of a slightly higher proportion of energy callers having experienced family violence was consistent with the previous report. In the last report seven percent of people calling about an energy issue mentioned being affected by family violence compared to five percent of all calls.

As discussed in the earlier section on regulatory reform, additional protections for customers who have experienced family violence were introduced in January 2020. From the case notes it is difficult to ascertain whether the people in our sample disclosed being affected by family violence to their retailer, meaning we are unable to assess whether retailers have complied with the relevant requirements.

REGION

People in our sample calling about energy issues were more likely to be living in regional Victoria when compared to all callers in our sample. Twenty percent of people calling about an energy issue lived in a regional location, while among all callers in the sample only 16% of people mentioned to our financial counsellors that they lived in a regional area.

This is consistent with the finding of our previous report. Although reasons for this disparity are not clear from our sample, other research clearly shows a higher prevalence of poverty in regional Victoria,[35] which would impact people's ability to pay for essentials such as energy costs.

COVID-19

As discussed above, 2020 saw the onset of COVID-19 in Australia. As lockdowns came into place across Victoria in March 2020, our financial counsellors started to record whether callers had been financially impacted by the pandemic.

Looking at just the period between March and December 2020 in our sample, there were 375 calls to our financial counsellors. During this time, people calling about

energy issues reported being impacted by COVID-19 at a higher rate than other callers. Thirty-nine percent of all callers between March and December 2020 mentioned being financially impacted by COVID-19, while among people calling about an energy issue 48% reported having been financially affected by COVID-19.

OTHER INFORMATION COLLECTED

ABORIGINAL AND/OR TORRES STRAIT ISLANDER PEOPLE

During the collection of demographic information at the start of a call, our financial counsellors ask individuals if they identify as Aboriginal and/or Torres Strait Islander.

There was a total of 12 callers in our sample who identified as Aboriginal and/or Torres Strait Islander in our sample (2% of the 808 calls where financial counselling was provided). Only one of these was an energy call. There were also 102 calls where this field was blank. This may have been because this information wasn't asked for, wasn't recorded, or the caller declined to disclose it when asked.

Unfortunately, it is impossible to draw any conclusions about trends based on the single energy call in this sample. While not reflected in the data in this sample, other recent work highlights the disproportionate levels of energy hardship Victorian Aboriginal communities face. In our recent joint report with the Victorian Aboriginal Legal Service (**VALS**) *Consumer Issues in Victorian Aboriginal Communities during 2020*, 40% of calls to our financial counsellors from Victorians who identified as Aboriginal and/or Torres Strait Islander in 2020 related to utilities (20 of these calls related to electricity),[36] while complaints data from the Energy and Water Ombudsman Victoria (**EWOV**) shows that Aboriginal and Torres Strait Islander people were three times more likely to be calling about imminent disconnection that non-Aboriginal and Torres Strait Islander people.[37]

Rather than the lack of data pointing to an absence of issues for Victorian Aboriginal communities, we believe it is the result of a lack of access to justice, with people not knowing who to call for support, and lack of knowledge around their consumer rights. COVID-19 related lockdowns and restrictions on movements and gatherings across 2020 and 2021 have prevented us from going out to Victorian Aboriginal communities, attending information sessions and events, and holding free legal education sessions. It is through these events that we would typically obtain survey data and face-to-face community intelligence and generate most referrals to our services. Indeed, the data from EWOV and our joint report with VALS suggests that Victorian Aboriginal community members are impacted but face barriers to accessing assistance. It also highlights the importance of work to build rapport with communities and facilitate access to services, and shows that more work needs to be done to this end.

DISABILITY

As part of the discussion of vulnerabilities a person might be facing, financial counsellors can record whether that person is living with a disability. Unfortunately, there was not enough data in the sample to be able to draw any conclusions as this information was recorded as 'Not stated/

inadequately described' or left blank in 764 out of 808 call records (95% of calls).

ECONOMIC ABUSE

Similarly, financial counsellors can record whether a caller is either currently being impacted by, or is at risk of, economic abuse. Again, with 724 call records (90% of calls) either left blank of recorded as 'Unknown' we were unable to draw conclusions about trends in the sample.

However, we note that these cases can be difficult for financial counsellors to identity in a short phone call. This is because economic abuse typically involves a pattern of behaviours rather than a single incident and is also less readily identified by survivors of violence and the community as a type of abuse, when compared to other types of violence (e.g. physical or verbal abuse).[38]

ELDER ABUSE

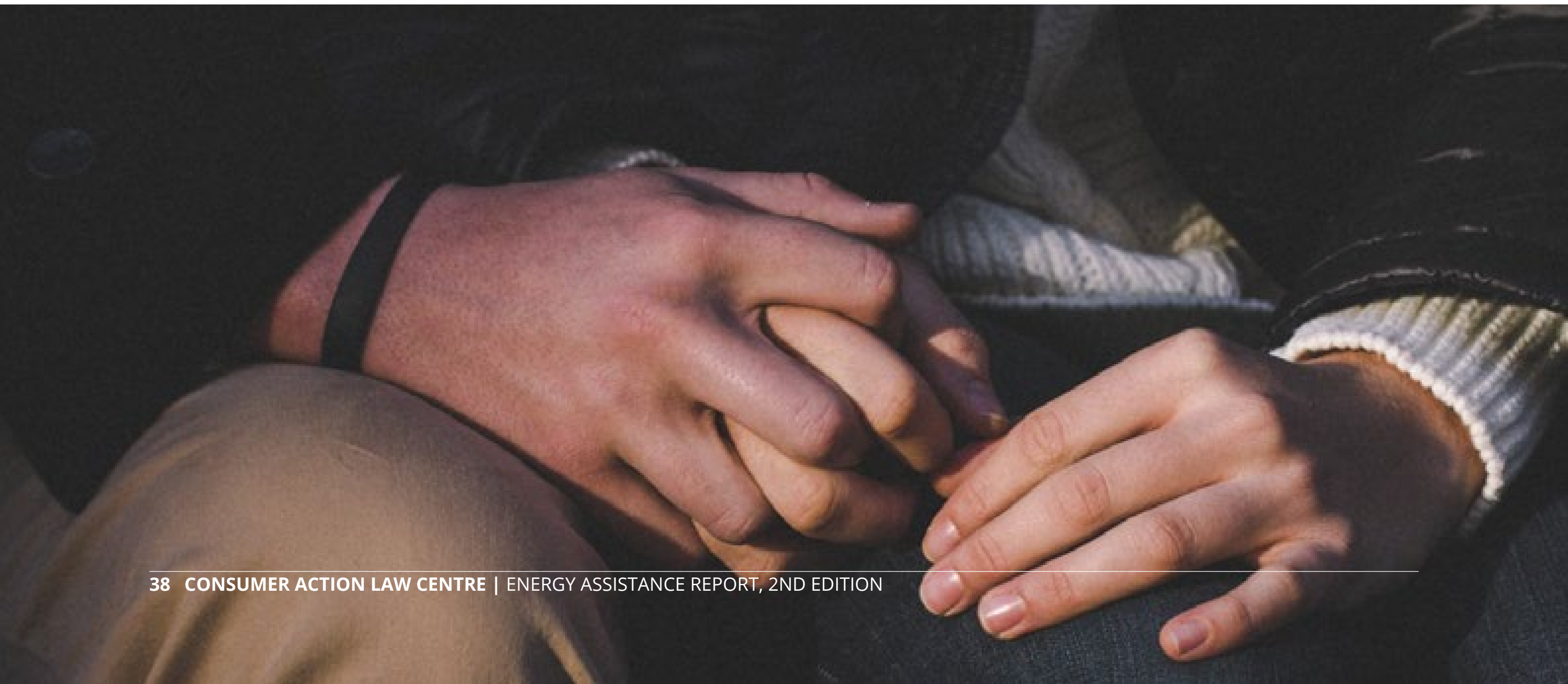
Again, there was not enough data recorded to draw conclusions about elder abuse with the records for 781 calls (97% of all calls) either left blank or tagged 'Unknown'.

As for economic abuse, we note that elder abuse is less recognised and is often hidden,[39] making it difficult to identify and determine how frequently it is occurring.

INCOME

Finally, we excluded analysis of income and energy issues from this report due to a change in recording during the period covered by the sample. Financial counsellors switched from asking people for an estimate of their annual income in 2019 to asking for fortnightly income in 2020.

This switch was made as people are generally better able to estimate their fortnightly income. While making this switch will allow us to collect more accurate income data, it makes it difficult to make any comparisons in this sample given that callers have been asked two different questions.



06 CONCLUSIONS AND RECOMMENDATIONS

Overall, it appears from our review of calls to our financial counsellors in this report that energy retailers continue to slowly improve their assistance for customers in hardship since the introduction of the PDF in January 2019.

Compared to our first energy assistance report in July 2019, disconnections have continued to decline, although we note that a large part of the drop observed in this report is due to regulators setting expectations that retailers not disconnect people during the COVID-19 pandemic. The proportion of people reporting being threatened with disconnection has also decreased noticeably compared to the last report, as has the proportion of people being inappropriately referred to financial counsellors by their retailer. The proportion of people reporting being pressured by their retailer to accept unaffordable payment plans has also reduced. However, cases of large debt are down only slightly compared to the previous report, as are the proportion of people who reported either not being informed about URGS by their retailer or reporting issues in accessing it.

Despite the improvements noted, from our sample it is clear that too many customers are still missing out on the assistance they are entitled to under the PDF. The most common issues noted in our sample were failure to accept affordable payment plans proposed by the customer, followed by failures to inform customers about URGS, or offering them incorrectly. From the call notes in our sample, we were unable to tell whether people were also being offered other assistance including practical help from their retailer to lower energy costs, or a tariff review to ensure they were receiving the best energy price for their circumstances. Suffice to say, we were still able to identify within our sample instances where retailers were likely to be breaching the PDF by failing to offer the full set of minimum entitlements to customers who should be receiving tailored assistance.

When looking at the demographic data among energy callers in this sample there continues to be a strong relationship between receiving a Centrelink income and issues with energy debt. Consistent with the previous report around half of callers reporting energy issues received Centrelink payments as their primary income source. In terms of other demographic markers, people living alone, single parents, people in private rentals, and women were overrepresented as reporting energy issues in the sample. People calling about energy issues were also more likely to report a having been impacted by a life event such as job loss, or taking on caring duties, to be dealing with mental health issues, or having been affected by family violence. These trends highlight the needs for additional protections to ensure that the PDF is working for all groups in the community.

Based on these findings, we suggest three broad areas for action in order to improve outcomes for people experiencing energy hardship:

- increased enforcement and compliance action by the ESC;
- improvements to the PDF; and
- expanded income support and concessions reform.

More details, including a number of recommendations, are discussed below.

COMPLIANCE AND ENFORCEMENT

While the introduction of the PDF appears to be improving outcomes for consumers, from the calls in our sample we still found numerous instances of poor hardship support. Given we only looked at two days of calls to our financial counsellors per month, the issues reported here are likely just the tip of the iceberg. While energy retailers are improving their conduct, we believe the ESC can do more to promote compliance by taking enforcement action where retailers are found to be failing to comply with the PDF requirements.

With the most common issues noted in our sample being failure to accept affordable payment plans proposed by the customer, and failure to inform people about URGS, we suggest the ESC focus on these areas in their compliance and enforcement work.

RECOMMENDATION 1.

The ESC prioritises compliance and enforcement work related to the PDF, particularly in relation to affordable payment plans and supporting URGS applications.

As noted earlier in this report, the fact that only two disconnections were recorded in our sample is at least in part attributable to expectations set by regulators that people were not to have their energy disconnected (except at their request) during the pandemic. Although retailers appear to have initially respected the ESC's moratorium on disconnection, compliance clearly fell away as the pandemic wore on, with ESC data recording more than 8,000 residential electricity and gas disconnections occurring in Victoria in the six months between 1 December 2020 and 31 May 2021. These disconnections came despite the pandemic still being far from over, with Victorian experiencing four lockdowns since the start of 2021.

With the ESC's advice to industry having expired on 30 June 2021, a return to 'business as usual' in terms of disconnections by retailers will only cause further financial and emotional stress for people still dealing with the fallout of the pandemic. While energy disconnection is a devastating experience for people at any time, this pain is further heightened when it occurs during a global health crisis. The ESC should introduce further measures to reduce the number of disconnections.

RECOMMENDATION 2.

That the ESC makes it a priority to investigate cases of wrongful disconnections since December 2020 and issue penalty notices wherever retailers have contravened the rules.

With community sector organisations such as Consumer Action operating with constrained resources, it can be difficult to resource the collation of potential breaches of the PDF and prepare regulator complaints. To ease this burden, we suggest there is scope for the ESC to undertake greater proactive compliance work in order to investigate and mitigate inconsistency in the way retailers are applying the PDF. For example, this could involve an audit of a sample of a retailers' customer service calls each month, in order to understand whether people are receiving consistent support in line with their PDF entitlements.

RECOMMENDATION 3.

The ESC undertakes greater proactive compliance and enforcement work to ensure energy retailers are meeting their obligations to customers under the PDF and to deter misconduct.

The ESC's additional reporting on customer support during COVID-19 has proved incredibly useful in understanding the financial impacts of the pandemic. Having monthly data, published relatively quickly, has allowed consumer advocates to better track changes in energy hardship and retailer support over time, as compared to the previous practice of releasing comparative performance data annually. We suggest that the ESC continue to collect this type of data on an ongoing basis, even beyond the end of the pandemic, to allow all stakeholders to better track and respond to needs for support among people facing difficulty paying their energy bills.

RECOMMENDATION 4.

The ESC work with retailers and consumer advocates to formalise ongoing collection and reporting of customer support data in order to better track the number of customers facing payment difficulty and the support they receive.

PDF REFORM

The ESC released its draft consumer vulnerability strategy *Getting to Fair: Breaking down barriers to essential services* in May 2021. In it, the regulator confirmed that it would undertake a review of the effectiveness of the PDF. While the framework has clearly improved outcomes for people facing payment difficulty, our report shows that gaps in assistance remain. This review represents a major opportunity to strengthen the PDF and improve outcomes for people. Below we suggest a number of areas the ESC should focus on as part of this review.

EXTENDING THE 2-YEAR TIMEFRAME FOR PEOPLE TO REPAY ARREARS

Unaffordable payment plans were the most commonly noted issue among energy callers in our sample. There is a clear tension between the two-year timeframe for repaying arrears and affordability of repayments for people with low incomes. This tension is particularly exacerbated where people cannot afford their ongoing usage. Although the PDF allows retailers the discretion to accept a payment plan which will repay arrears over a period exceeding two years, it is unclear how often these longer repayment periods are being offered. The PDF review should look to rebalance this tension between timely repayment and affordability, particularly for customers with large debt or who cannot afford their ongoing usage.

RECOMMENDATION 5.

The ESC's review of the PDF should consider extending the 2-year timeframe to repay arrears for customers who have large debt and/or cannot afford to pay for their ongoing usage.

ENHANCING ASSISTANCE FOR CUSTOMERS UNABLE TO AFFORD ONGOING USAGE

From our sample, there are a clear cohort of people who are in persistent hardship and are unable to afford their ongoing energy usage. With URGS designed to help people pay utilities bill which are overdue to a temporary financial crisis, additional support is needed for people in persistent hardship. In addition to allowing these people more time to repay arrears, the PDF review should also look at enhancing assistance for these customers. This could include actions such as looking at a more consistent system for debt waivers or payment matching by retailers where people cannot afford their ongoing usage and introducing additional triggers for retailers to contact customers about assistance where debt is accumulating. In addition to the early intervention that is already a feature of the PDF (with entitlements to assistance being triggered when a customer has arrears of $55 or more) there is a need for ongoing, personalised intervention by retailers to prevent debts spiralling out of control.

RECOMMENDATION 6.

As part of the PDF review, the ESC should consider additional and more consistent entitlements for customers who cannot afford their ongoing energy usage, including potential debt waivers and payment matching.

As noted, calls about energy issues to our financially counsellors were disproportionately higher among people living alone, single parents, people in private rentals, and women. In addition, the number of energy calls from people from CALD backgrounds in our sample had grown since our last report. Furthermore, life events, such as people experiencing with mental health challenges or taking on caring duties are also clearly implicated in energy hardship. Finally, while not apparent in our sample, recent work by us and others, highlights that Victorian Aboriginal communities face disproportionate levels of energy hardship. That many of these trends have carried over from our previous report indicates that there are certain vulnerabilities common among people facing energy hardship. However, this is not a new finding and is something consumer advocates have been raising for many years. Retailers must design their services, customer portals and systems in such a way as to support people experiencing specific types of vulnerabilities. This has already commenced with the ESC's introduction of additional protections for people affected by family violence. However, further reform introducing additional protections for other vulnerabilities is long overdue, so that the PDF is working for all Victorians.

RECOMMENDATION 7.

The ESC's PDF review should consider the introduction of additional protections for specific cohorts of customers, such as people experiencing mental or physical health challenges, or Aboriginal and Torres Strait Islander communities, in order to reduce barriers for these groups.

EXPANDING RETAILER DISCONNECTION OBLIGATIONS

Disconnecting people's energy for non-payment is a heavy-handed, punitive, and potentially dangerous way for retailers to 'engage' customers. We believe there are lessons to be learned from the moratorium on disconnections introduced in response to COVID-19, in order to understand how disconnection can truly become a 'measure of last resort' as intended under the PDF. As part of the PDF review, we encourage the ESC to evaluate the disconnection experience during the COVID-19 pandemic, with a view to expanding prohibitions on disconnections longer-term. Such changes could include requiring home visits by an independent body prior to disconnections and expanding clause 12.6.2 of the Electricity Distribution Code to prohibit disconnections that endangers long term health and safety impacts. These reforms would help ensure that retailers design services that are appropriate for customer engagement, are exhausting all other methods of communication before commencing disconnection action against people, and that no disconnections proceed where someone's health or safety is at risk as a result.

RECOMMENDATION 8.

As part of the PDF review the ESC conducts an evaluation of the disconnection experience during COVID-19 and considers expanding disconnection protections.

EXTENDING PDF PROTECTIONS TO CLOSED ACCOUNTS

As part of the PDF review, we consider that the ESC should clarify that PDF protections apply to closed accounts, and survive where debts are sold on to third party debt purchasers. Thirteen people in our sample were calling our financial counsellors about energy debt on old accounts, with an average debt of $1416 among these people. Whether customers close the account themselves or are enticed by another retailer to switch their energy provider, there is a potential gap in the PDF where customers lose access to their entitlements to assistance on closed accounts. This gap only exacerbates people's financial hardship, as they may face increased difficulty in paying for their current usage when trying to repay historical arrears.

RECOMMENDATION 9.

As part of the PDF review the ESC should update regulatory guidance to make clear that PDF protections apply to closed accounts.

INCOME SUPPORT AND CONCESSIONS

Our financial counsellors have reflected that for many people who call about energy debts, a major issue is simply not having enough income, particularly when government assistance payments are someone's primary income source. This is borne out by the data in our sample with people calling about energy issues more likely to be reliant on Centrelink payments as their primary income when compared to all callers in the sample.

The Federal Government's income support packages released in response to COVID-19 helped lift thousands of Victorians out of poverty. Given this, it was deeply disappointing to see JobSeeker rate cut again at the end of March 2021, pushing people back below the poverty line and into financial hardship. Despite the protections in the PDF, there will be a small but significant number of people in the community who cannot afford their energy use. For those people receiving Centrelink payments, increasing these payments will help ease cost of living pressures and reduce cases of energy hardship in the community.

RECOMMENDATION 10.

The Federal Government provide an immediate and permanent increase to Centrelink payments, as well as regular indexation.

Another means of support for customers struggling to afford essential services is through concessions and relief grants. The Victorian Government currently provides a range of concessions and benefits to assist people with energy affordability, primarily the Annual Electricity Concession and

URGS. We suggest that the Victorian Government commit to a review of energy concessions administered by DFFH. While ensuring that households don't lose the value of their existing concession entitlements, the review would examine if concession rates, or eligibility criteria, need to be expanded in order to better promote affordable access to energy. This review should also explore possible reforms to URGS, for instance by creating a pool of funding that recipients could allocate to gas or electricity debts as they decide, as opposed to the current split where people can receive up to a maximum of $650 for each utility once every 2 years. Typically, people calling us about energy debts using both electricity and gas will have larger electricity debts. Creating a pool of funds would empower people, allowing them allocate money to pay their bills as their individual circumstances dictate.

RECOMMENDATION 11.

The Victorian Government commit to a review of energy concessions to improve energy affordability for low-income households, while ensuring the value of existing concession entitlements is maintained.

From our sample, it was clear informing people about URGS and assisting them to apply was an area where retailers could be doing more to support their customers. Receiving an URGS payment can help people to significantly reduce their energy debt, so it is essential that people are able to access it in a timely way. As the department responsible for managing URGS, DFFH could increase transparency around people's access to the grant by regularly releasing publicly accessible data around URGS.

RECOMMENDATION 12.

The DFFH commit to publicly releasing bi-monthly URGS data to increase transparency around any barriers to people accessing the grant.

ENDNOTES

1. Essential Services Commission (2021), Energy customers during the coronavirus pandemic: Update – observations up to week ending 30 May 2021
2. Ibid.
3. Independent Review Panel (2017), Independent Review into the Electricity and Gas Retail Markets in Victoria
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7. The sample in our 2019 report consisted of 2256 total calls, 1867 calls in which services were provided, and 257 energy-related calls.
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9. Essential Services Commission (2017), Energy Compliance and Enforcement Policy: Guidance note – Payment difficulty and disconnection
10. Essential Services Commission (2019), Media release: New protections for customers experiencing family violence
11. Consumer Action Law Centre (2020) "Bills here, Bills there": The lived experience of Victorian energy reform,
12. Australian Energy Regulator (2020), Statement of Expectations of energy businesses: Protecting consumers and the market during COVID-19
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14. Essential Services Commission (2020), Supporting customers through the ongoing impacts of the coronavirus pandemic
15. Essential Services Commission (2020), Supporting customers through the ongoing impacts of the coronavirus pandemic: Final decision
16. Australian Tax Office (2021), COVID-19 Early release of super report
17. Essential Services Commission (2021), Household energy debt rising despite improving economy
18. Consumer Policy Research Centre (2020), COVID-19 and Consumers: from crisis to recovery
19. Matt Johnson, The New Daily (2020), 'Kick in the guts': Hundreds of vulnerable Australians cut from electricity before Christmas
20. Essential Services Commission (2021), Energy customers during the coronavirus pandemic: Update – observations up to week ending 30 May 2021
21. Essential Services Commission (2021), Media release: Alinta Energy pays more than $1 million for putting hurdles in the way of help
22. Financial Counselling Australia (n.d), Referring to financial counsellors: A guide for energy companies
23. Essential Services Commission (2020), Supporting customers through the ongoing impacts of the coronavirus pandemic: Final decision, p. 74

24. Ibid.

25. Essential Services Commission (2020), Victorian Energy Market Report 2019-20,

26. Australian Council of Social Service (2020), Briefing: Next steps for income support

27. While our financial counsellors are able to record other gender identities (intersex or indeterminate) in our case file software there were no non-binary callers identified in our sample

28. Victorian Council of Social Service (2018), Battling on: Persistent energy hardship

29. Workplace Gender Equality Agency (2021), Factsheet series: Australia's Gender Pay Gap Statistics

30. Economic Abuse Reference Group (2018), Family violence and economic abuse – an overview

31. Department of Environment, Land, Water and Planning (2021), Victoria's Household Energy Savings Package

32. Australian Bureau of Statistics (2020), 2016 Census QuickStats

33. Consumer Policy Research Centre (2021), COVID-19 and Consumers: key insights series – CALD consumers

34. Consumer Action Law Centre (2019), Energy Assistance Report: Tracking how Victoria's changing energy policies are impacting households in the state, , p.33

35. Victorian Council of Social Service (2018), Every suburb, Every town: Poverty in Victoria

36. Consumer Action Law Centre and the Victorian Aboriginal Legal Service (2021), Consumer Issues in Victorian Aboriginal Communities during 2020, p19

37. Energy and Water Ombudsman Victoria (2020), Missing the Mark: EWOV insights on the impact of the Payment Difficulty Framework (PDF)

38. Economic Abuse Reference Group (2018), Family violence and economic abuse – an overview

39. Better Place Australia (2018), Elder Abuse Discussion Paper

40. Essential Services Commission (2021), Energy customers during the coronavirus pandemic: Update – observations up to week ending 30 May 2021

41. Essential Services Commission (2021), Getting to fair: Breaking down barriers to essential services – strategy draft

42. See: Consumer Action Law Centre and the Victorian Aboriginal Legal Service (2021), Consumer Issues in Victorian Aboriginal Communities during 2020 and Energy and Water Ombudsman Victoria (2020), Missing the Mark: EWOV insights on the impact of the Payment Difficulty Framework (PDF)

43. For example, see Consumer Action Law Centre (2015), Heat or eat: Households should not be forced to decide whether they heat or eat

ANNEXURE A
EXPLANATION OF DATA COLLECTED

ABLE/UNABLE TO PROVIDE FINANCIAL COUNSELLING

Each call record in the sample was checked to ensure that a financial counsellor provided a service to a Victorian resident. Instances where our financial counsellor was unable to contact the person or where the call was from interstate were removed from the dataset.

ENERGY ISSUE

Each call record was checked for whether energy issues were noted. During the call a financial counsellor is able to record up to three financial difficulty types (e.g. credit card debt, housing arrears (mortgage) and utilities (electricity).

All call records which listed one or both of 'Utilities – Electricity' and 'Utilities – Gas' as a financial difficulty type were identified as a call involving an energy issue. All these call records were reviewed to confirm that they involved an energy issue.

FUEL TYPE

Where possible we assessed which fuel types (electricity and/or gas) the energy issue included. Usually this was clear from the financial counsellor's recording of financial difficulty type. However, the call notes for each energy call were reviewed in detail to assess which fuel types of the customer had. Financial difficulty type data was updated where review of the case notes made clear the customer was experiencing hardship related to both electricity and gas but only one type had been recorded.

Typically, this omission was due to a financial counsellor being unable to record more than three types of financial difficulty. Where a caller had multiple debts, for example a credit card debt, a personal loan, and gas and electricity arrears, a financial counsellor may only record one utility under type of financial difficulty.

DISCONNECTION

During a call, a financial counsellor is also able to record issues specific to the type of debt being discussed. For utility debts, these include 'Essential service – disconnection' and 'Hardship assistance – inadequate'.

Wherever a financial counsellor noted disconnection as an issue this was recorded. All energy related call records were reviewed to check for additional disconnections not flagged by financial counsellors, however none were found.

THREAT OF DISCONNECTION

Wherever it was clear from the call notes that a person had received a disconnection threat (either verbally, written or electronic) caller this was recorded.

UTILITY RELIEF GRANT NOT OFFERED (OR OFFERED INCORRECTLY)

Financial counsellors are able to select 'URGS – failure to offer' as an issue. This is selected when a caller that is likely eligible has not been advised of the Utility Relief Grant, or that the retailer had made access conditional on speaking to a community agency or refers someone to fill out the application form without first offering help or has otherwise given incorrect information about the grant.

Wherever 'URGS – failure to offer' was selected by financial counsellors we have recorded this in our analysis.

UTILITY RELIEF GRANT RECEIVED

Where someone had received the benefit of an URG this was also noted. This cannot be selected as an issue, so all cases identified were based on review of the energy call notes.

UNAFFORDABLE PAYMENT PLAN

Where a call with an energy issue noted that the caller was being pressured into, had been pressured into, or was on a payment plan that they could not afford from their energy retailer this was noted. Financial counsellors are not able to select this as an issue, so identification of cases was based on review of case notes.

INAPPROPRIATE REFERRALS

As discussed in our in-depth analysis, on occasion an inappropriate referral from an energy retailer is clearly noted. Where this occurs, financial counsellors can select 'Inappropriate referral for financial counselling'. Cases were identified based on this flag on case records.

ACTIVE ACCOUNT DEBT

Often a debt amount owing for electricity or gas is recorded in case notes by the financial counsellor, although this is not always the case. People may not know the amount owing, may not want to disclose it, or it may not come up in the time available for the call, particularly where energy debt is not the primary reason for the call.

Wherever possible, we recorded the total amount of energy debt from active accounts that was noted. This was done through review of case notes.

CLOSED ACCOUNT DEBT

Wherever possible we recorded that there was a debt owing on a closed energy account. Again, this was done through review of case notes.

LARGE DEBT

Where debts were disclosed, amounts more than $3000 and $10000 were recorded. This was done by review of case notes. These amounts were calculated as total energy debt and were not separated by fuel type.

IF 'DUAL FUEL' HOW MUCH GAS DEBT

Where it was clear from case notes that the person had a gas debt the amount was recorded. Active and closed accounts were recorded separately. Where a caller with both electricity and gas debt could not or did not identify the respective amounts owing (3 cases), a 50:50 split was assumed.

ARE THERE NON-ENERGY DEBTS

We checked each record with an energy debt to see whether the caller had other debts. This was done by review of the call notes for each energy call.

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