

Friday, 7 March 2025

By email: energy.upgrades@deeca.vic.gov.au

Energy Upgrades Program
Department of Energy, Environment, and Climate Action (DEECA)

Dear Energy Upgrades Program,

Victorian Energy Upgrades Strategic Review: Discussion Paper

We welcome the opportunity to provide our submission responding to the Discussion Paper released as part of the Victorian Energy Upgrades (VEU) Strategic Review. Consumer Action Law Centre (**Consumer Action**) strongly supports the role of the VEU program in providing information and support to Victorians to access energy efficient upgrades and electrification, as part of Victoria's transition to clean energy.

In our submission we highlight key insights formed through our financial counselling casework supporting Victorians calling the NDH. We also reference our recommendations provided in our previous [Submission to the VEU Program Strategic Review](#) to ensure equitable and fair participation and access to energy upgrades, particularly for low-income households. We attach our recent [Submission to the Consumer Energy Resources \(CER\) Consumer Protections Review](#), as this includes some key issues and recommendations relevant to the VEU Strategic Review.

Each year, Consumer Action assists hundreds of Victorians struggling to afford their energy costs. These people are often on low-incomes and are less able to afford the upfront costs of energy efficient upgrades to their home. For many callers to the Victorian National Debt Helpline (**NDH**), the financial barriers to accessing upgrades can often result in higher gas and electricity costs, through continued use of inefficient appliances, or energy inefficient housing that requires significant energy usage in heating and cooling to maintain liveable standards.

As the transition to electrification progresses, the expansion of the VEU Program is necessary to achieve the next milestones and goals of Victoria's transition to renewable energy. We highlight the importance of prioritising Victorians on low-incomes, and those experiencing vulnerability, as key cohorts who will require targeted support as part of an equitable energy transition. Without implementing measures that will prioritise people in these circumstances, many Victorians could be left behind paying for a legacy grid.

About Consumer Action

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

What are the big opportunities for the VEU program in the next five years?

The Discussion Paper identifies that the next phase of the VEU program will focus on more complex and higher cost upgrades as part of the shift to electrification. As the Discussion Paper notes, the efficiency gains of lower-cost upgrades have been largely realised¹. Given this, we are supportive of the VEU's strategic shift to focusing on larger-scale upgrades, to support Victorians to electrify their homes. We share the view that this shift has some complex considerations, particularly in ensuring strong consumer protections are prioritised, and that low-income households are supported to make these upgrades, to ensure equitable access to the benefits of the transition to electrification. These considerations are discussed below.

Providing support for low-income households to electrify their home

The VEU program has the opportunity in the next five years to support Victorians to electrify their homes, which would significantly assist in lowering household energy costs. The upfront costs of this transition can be a significant barrier for Victorians on low-incomes, who are often living in homes that require higher energy usage due to poor insulation, or usage of older and/or less energy-efficient appliances. We have observed that some CER providers have used this barrier as an opportunity to mislead consumers into signing up for unaffordable Buy Now Pay Later (**BNPL**) products in order to finance the purchase and installation of CERs, with the consumer also often missing out on available rebates.

Additionally, Victorians contacting the NDH will commonly report struggling to afford their energy usage, particularly in dual-fuel households. Many callers to Consumer Action's financial counsellors report reducing their usage by cooking fewer times during the week or forgoing using heating or cooling – risking living in unsafe temperatures, as a method to cut down their energy costs.

When considering new opportunities for the VEU program, we submit that targeted no-interest government loans or rebates for low-income households must be made available for Victorians who are not able to meet the upfront costs to electrify their home. This would make upgrades accessible to more Victorians who need them, while also reducing the risk of low-income households resorting to BNPL or other financial products, in order to afford the upfront costs of products and services under the VEU program. We discuss the issues relating to provision of BNPL finance for CER purchases in more detail in our submission to the CER Consumer Protections review².

¹ The State of Victoria Department of Energy, Environment and Climate Action, [Victorian Energy Upgrades Strategic Review Discussion Paper](#), February 2025, p.3

² Consumer Action, [Consumer Energy Resources Review](#), February 2025, pp.24-25

RECOMMENDATION 1. Increase rebates and government no-interest loan schemes targeted to low-income households for household electrification, in partnership with the Department of Climate Change, Energy, Environment and Water.

Increasing information and outreach to Victorian households

We remain strongly supportive of the recent bans on unsolicited sales in both the VEU and Solar Homes Programs. We submit that accessible and transparent information should be available to Victorians who are considering transitioning to energy efficient appliances or electrifying their home. We consider that the monitoring of uptake of VEU upgrades (both in relation to geographic location and key demographic markers) could be utilised to provide further information and outreach to communities and areas where uptake has been low. The information and outreach provided could assist those households access rebate schemes, further supporting the uptake required for electrification at scale.

Given this, we strongly support the VEU Program further developing its outreach and engagement to Victorians, to provide transparent and accessible information about what is available and appropriate for their household, and importantly, what financial support is available. We support recent trial programs such as the State Electricity Commission (SEC) 'electric home planner' portal and pilot programs in partnership with local Councils³.

RECOMMENDATION 2. Develop and increase VEU Program outreach by local Councils and community groups to priority cohorts

Monitor and prioritise VEU program uptake among priority cohorts

Consumer Action has found through our casework that there are some cohorts of Victorians who are less likely or able to electrify their home affordably and fairly, particularly low-income mortgagors and renters. To address this, we submit that the VEU program needs to explicitly focus on monitoring uptake by these groups, and where targets are not being met, undertake work and create incentives to encourage their participation in the program. These cohorts and the barriers they face are discussed below.

i. Low-income mortgagors

Victorians who have contacted our service for assistance after experiencing an unsolicited sale of CER products are predominantly people over the age of 60, receiving a form of Centrelink income, and living in regional or remote Victoria. From June to December 2024, cases relating to unsolicited sales of CER appearing on our frontlines were recorded at a level commensurate with the volume of casework we were observing in 2019. This return to pre-COVID levels of unsolicited sales of CER is of particular concern.

These unsolicited sales cases commonly involve providers not registered with the VEU or Solar Homes programs. While it's positive that businesses in the program appear to be complying with their obligations not to engage in unsolicited sales, we are concerned that consumers are placed at a disadvantage when targeted by a significant number of companies operating outside of registered programs, in addition to VEU participating providers potentially being placed at a disadvantage in attracting customers. We further discuss the harms experienced by Victorians contacting our service regarding unsolicited CER sales throughout our submission to the CER Review. We recommend that the VEU Program prioritise monitoring of VEU program uptake among low-income mortgagors, particularly Victorians receiving a Centrelink income, or living in regional or remote Victoria. In

³ State Electricity Commission Victoria, [SEC - SEC electric home planner](#)

places where uptake is low, provision of information and outreach related to the VEU program through trusted channels, such as through local Councils should be undertaken. This may also in turn prevent further unsolicited sales by providing consumers with safer, more trusted pathways to access energy efficiency upgrades and/or electrification.

RECOMMENDATION 3. Prioritise monitoring of VEU Program uptake by low-income households in regional and remote areas and provide information and outreach activities in areas identified as having low uptake.

ii. Renters

More than half of callers to the NDH experiencing energy hardship in 2023-24 reported renting their home (54%) and/or receiving a Centrelink payment as their sole income (63%)⁴. For renters, upgrades to the energy efficiency of their home are within the remit and the responsibility of their landlord or housing provider, yet renters face barriers due to the split incentive between landlords and renters⁵. As more than a third of the Victorian population rents the home they live in, it is crucial that the VEU program targets residential rental properties' uptake of energy upgrades and electrification, in order for Victorian renters to have access to liveable and energy efficient homes.

As outlined in the Discussion paper, space heating accounts for approximately 60% of gas use in Victoria⁶, which for people living in homes with poor insulation or structural degradation often results in higher gas bills or unsafe indoor temperatures⁷. In our submission to the [Minimum Standards for Rental Properties and Rooming Houses](#) we provided some examples from callers to the NDH (including the case study below) where the liveability standards of their rented home was causing increased energy costs.

Case study: Rob

Rob* is a renter and receives the Disability Support Pension. He contacted the National Debt Helpline because he was struggling with his energy bills. Rob had received an electricity bill for over \$2,000. He said that his bills were always high because his landlord refused to install insulation. Rob said he had recently applied for the Power Saving Bonus and Utility Relief Grant so wasn't able to access these for his most recent bills. Rob stated that the house he rents was built in the 1800s. In addition to having no insulation, he said his windows don't close properly and there are gaps in the floor owing to collapsed stumps. Rob said he had been trying to fill the gaps himself, which he said had been "a bit" effective. However, his energy use – and accordingly, his energy costs – remained unaffordably high.

*name changed

⁴ Consumer Action, *Keeping the Lights On – Energy Assistance Report 4th Edition*, June 2024, p.7

⁵ Department of Energy, Environment and Climate Action & Deloitte Access Economics, [Minimum energy efficiency and safety standards for rental homes – Regulatory Impact Statement](#), May 2024, p.i

⁶ The State of Victoria Department of Energy, Environment and Climate Action, [Victorian Energy Upgrades Strategic Review Discussion Paper](#), February 2025, p.7

⁷ Department of Energy, Environment and Climate Action & Deloitte Access Economics, [Minimum energy efficiency and safety standards for rental homes – Regulatory Impact Statement](#), May 2024, p.i, pp.4-5

For renters, the risk of upgrades not being implemented by the property owner (landlord or housing provider) can result in unsafe living conditions, causing detrimental health and financial impacts to the renter⁸. Residential landlords and housing providers are also obliged to provide certain minimum liveability and energy efficient standards for their tenants, and this must be monitored by CAV as the regulator for compliance. Findings from this monitoring activity would also assist the VEU program to identify cohorts or geographical areas where upgrades have not been implemented. Similarly, the data of uptake, and areas with low uptake from the VEU Program would benefit CAV in assessing compliance with minimum standards of residential rental properties.

To this end, we support the VEU Program working with Consumer Affairs Victoria (**CAV**) to include the monitoring of minimum standards for rental properties into its monitoring of uptake of VEU upgrades. This could, for example, be implemented through the development of a compulsory register of residential rental properties with the view to assessing their compliance with energy efficiency minimum standards⁹, and correlated with the uptake of VEU upgrades. In cases where standards have not been met, further outreach and engagement can be conducted by CAV and the VEU Program to ensure upgrades are conducted, in line with energy efficient minimum standards.

RECOMMENDATION 4. For the VEU Program to work with CAV to integrate the monitoring of VEU Program uptake with monitoring and compliance of energy efficient minimum standards for residential rental properties

What are the biggest challenges with the VEU program as it currently operates?

Lack of a strong, fair and consumer-centred dispute resolution framework

As identified in our submission to the CER Review, we have found through our casework that there have been significant barriers to consumers in accessing dispute resolution processes regarding CER products and services¹⁰. In many cases, the only avenue for consumers to seek redress is to take a matter to court, which can be a cost-prohibitive, complex and protracted process for many Victorians contacting our services.

A 'one-stop-shop' dispute resolution scheme through the Energy and Water Ombudsman Victoria (EWOV) that governs all elements of new and existing energy products provides a holistic, clear and straightforward process for consumers to engage in external dispute resolution.

RECOMMENDATION 5. For the EWOV to be the external dispute resolution Ombudsman for CER matters

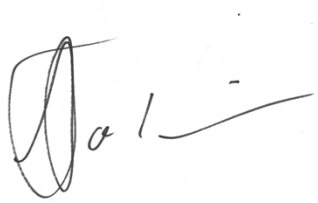
Please contact Senior Policy Officer, Eirene Tsolidis Noyce on 03 9670 5088 or at eirene@consumeraction.org.au if you would like to discuss our submission further.

⁸ Department of Energy, Environment and Climate Action & Deloitte Access Economics, [Minimum energy efficiency and safety standards for rental homes – Regulatory Impact Statement](#), May 2024, p.5

⁹ Consumer Action, [Residential Minimum Standards Rental Properties and Rooming Houses](#), July 2024, p.8

¹⁰ Consumer Action, [Consumer Energy Resources Review](#), February 2025, p.29

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Tonkin', with a long horizontal flourish extending to the right.

Stephanie Tonkin | Chief Executive Officer
CONSUMER ACTION LAW CENTRE

