



# OPERATING EXPENDITURE

# CUSTOMER ASSISTANCE PACKAGE

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# 1. Overview

## Energy care

**\$1.7M**

In-person energy literacy programs and a web-based hub to provide customers with bill interpretation and enhanced understanding of energy consumption.



## Community energy fund

**\$4.1M**

Enhancing inclusiveness and supporting customers towards an equitable energy transition.



## Energy advisory services

**\$1.8M**

Expert guidance to assist communities in building their own energy programs.



## Vulnerable customer assistance program

**\$5.0M**

Targeted at assisting customers and communities to transition away from gas-based appliances. Financial assistance for fuse replacement and upgrades to support electrification.



## First Peoples program

**\$2.1M**

Enhancing First Peoples energy access through programs that support resilience, help vulnerable customers, support renewable energy projects and provide tailored energy-related information.



## 2. Background

### 2.1 Customer engagement

We strive to provide our customers an affordable, safe, and reliable energy service that continuously adapts to meet their evolving needs. To understand and keep pace with these changing needs, we have utilised various mechanisms to capture their insights, feedback, and opportunities for improvement.

Through direct engagement with customers and stakeholder and through our Customer Advisory Panel (CAP), we have been able to identify what is most important to our customers. We have gained their insight into the energy transition, and their expectations of the network facilitating this. We have been able to gauge views on important customer-related topics such as energy equity, energy poverty, and customer values.

These insights and views have helped us shape new actions to improve our customers' experience and outcomes.

Through our engagement journey we have:

- completed the innovative Future Home Demand Project with Monash University exploring the interaction between future energy use and everyday life trends
- undertaken joint distributor engagements with welfare agencies aimed at determining how Victorian electricity distributors can best support customers experiencing vulnerability
- completed a study on customers experiencing vulnerability, identifying their priorities and concerns
- updated our customer values analysis framework to better understand their willingness to pay for network improvements they value
- sought to validate our draft proposal's value for our customers.

These insights have demonstrated the expectation and need for barriers to participation in the energy transition be dismantled and equal access be provided to all customers at an affordable price. Customers have shown they will pay for improvements that benefit others experiencing vulnerability or those 'worst served' under our current network arrangements.

We understand it is critical we develop and implement a customer assistance package that directly responds to the feedback we have received and delivers on the above expectations. This is particularly true for people at risk of energy poverty or experiencing vulnerability.

### 2.2 First Peoples engagement

Our network is located on Wurundjeri and Bunurong/Boonwurrung Counties and is home to approximately 5,728 First Peoples customers, over 20 First Peoples businesses, two Registered Aboriginal Parties and six community organisations. Given our network footprint across First Peoples Countries, we have established dedicated roles within United Energy to drive First Peoples engagement; including the establishment of a First Peoples Advisory Committee (FPAC) and the development of our first Reconciliation Action Plan (RAP).

The establishment of our RAP is an important milestone for empowering and increasing the self-determination of Victoria’s First Peoples communities. This is achieved through mutually beneficial partnerships training, employment, and business opportunities.

In June 2023, we established FPAC, who was made up of 5 community members from across our 3 networks. The Chair of the FPAC is also a member of the CAP. FPAC met 7 times and has provided feedback and input into the First Peoples program. FPAC have endorsed the First Peoples recommendations included in the regulatory proposal.

Throughout our engagement program, we have consulted with First Peoples to better understand their lived experience with our network and to identify First Peoples energy related issues and priorities through attending key community events and online survey. Within the United Energy network, we have engaged with 47 community members, one Registered Aboriginal Party and one community organisation. We also attended the First Nations Clean Energy Strategy roundtable where we heard about the need for capacity building including energy literacy and First Peoples interests in building, owning and operating renewable energy projects.

In September 2024 we attended the Nairn Marr Djambana Aboriginal Gathering Place where we engaged with 42 community members on our regulatory proposal. In addition, we ran an online survey and received 5 respondents. We heard from the community that key concerns were affordability and the widening energy equity gap due to cost-of-living increases. Community members stressed the inaccessibility of new energy appliances and the need to help Elders have access to heating and cooling.

Throughout the engagement, the below First Peoples customer priorities were identified a

**TABLE 1 FIRST PEOPLES CUSTOMER PRIORITIES**

<b>FIRST PEOPLES PRIORITY</b>	<b>SENTIMENTS AND WHY IT IS IMPORTANT</b>
Access to energy is a human right	First Peoples haven't been afforded the same generational wealth as the wider population. The health and equity gaps continue to widen, highlighting the need for programs that help those who are struggling to pay for electricity. Elders within First Peoples communities aren't using their heating or cooling, which is leading to knowledge holders in communities becoming severely unwell.
Energy literacy	First Peoples noted the importance of easy to read, independent and unbiased energy literacy resources. It was recommended that United Energy provide information on how to read bills, energy efficiency, and information on renewable energy.
Energy upgrades	First Peoples acknowledged the inefficiencies of old appliances, but stressed they didn't have the funds to upgrade old appliances. First Peoples also referred to the financial stress that occurs when appliances break and the need to sometimes borrow funds from family or someone in the community when this occurs.

## 3. Our customer assistance package

Our customer assistance package combines several programs to improve service to customers experiencing vulnerability. Importantly, we are not seeking to define or limit what vulnerability is as we recognise vulnerability can differ by individual. Therefore, we have designed our customer package to ensure customers experiencing vulnerability have access to the tools and information they need to minimise their exposure to energy poverty.

Our customer assistance package focuses on the strength and longer-term relationship with our customers. While customers can change retailers frequently, our network is the constant element of their energy supply.

Throughout our engagement, customers and customer-representative organisations were critical of reliance on retailers to deliver customer vulnerability services. Despite low awareness of networks, customers trusted networks to provide independent information about the energy transition, particularly compared with retailers<sup>1</sup>.

### 3.1 Energy care

Energy care is a community outreach program providing information/training sessions to community support workers, developing targeted communications and outreach programs for approximately 22,000 customers over the next 5 years, who may be at risk of vulnerability. The initiative supports customers accessing centralised, independent and accurate information.

Customers have told us they want education relating to supply charges, consumption behaviour and impacts of the energy transition<sup>23</sup>. While some information is provided by government agencies and retailers, there is a prevalence of misinformation or promotional bias of literature about the energy transition<sup>4</sup>.

Energy care improves electricity education through in-person literacy programs involving interpretation of electricity bills, retail plans and understand energy consumption and energy-efficient practices. The in-person programs will be conducted annually.

In addition, Energy Care will provide training sessions with community support workers from partnership agencies. We will develop targeted communications for these sessions, able to be used by participating agencies with their clients. The partnership approach is preferred by our customers, given the expertise welfare agencies have working with their clients.

*“These initiatives need to be delivered by trusted community organisations rather than solely relying on the network’s direct involvement.”*

United Energy customer, Test and Validate: Roundtables

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<sup>1</sup> Forethought, Engagement Program with Customers Experiencing Vulnerable Circumstances, February 2024, p. 9.

<sup>2</sup> Forethought, Engagement Program with Customers Experiencing Vulnerable Circumstances, February 2024, p. 9.

<sup>3</sup> Forethought, Broad and Wide Stakeholder Engagement: Culturally and Linguistically Diverse (CALD) Community Summary Report, December 2022, p. 9.

<sup>4</sup> RPS, Customer Vulnerability Roundtable: outcomes report, October 2023, p. 6.

Training sessions will occur 3 times a year and welfare agencies will have access to a web-based hub. The web-based hub will provide welfare agencies with quick and easy access to all energy support programs, updates and connection to other hub members and network staff.

### 3.2 Community energy fund

The Community energy fund (Fund) supports a variety of initiatives aimed at improving inclusiveness and a more equitable energy transition. The Fund does this by improving access to renewable energy resources for all customers and communities across the network. This could include initiatives such as community batteries and solar hubs. The Fund will be allocated based on proposals presented to, and approved by, our CAP and FPAC for First People related applications. The Fund is conservatively estimated to support 5 projects annually. The first round of the funding applications is expected to open October 2026. Any funds are not awarded will be returned to customers.

An equitable energy transition was identified as important early in our engagement journey, customers wanted to ensure equal access to future technologies including renewables. With a desire for us to assist in finding ways for customers to participate in the energy transition, including access to green energy, reducing carbon emissions and their costs<sup>5</sup>. This theme continued to resonate with a growing number of customers citing financial and residential barriers to their participation in the energy transition and a fear of being 'left behind' because of these barriers<sup>6</sup>.

### 3.3 Vulnerable customer assistance program

The vulnerable customer assistance program (program) is targeted at supporting customers and communities to transition away from gas. The program will do this through providing reduced fees for customers experiencing vulnerability requiring fuse or phase upgrades to support greater electrification at their premise.

Customers experiencing vulnerable circumstances supported the energy transition but were concerned who would pay for their transition from gas to electricity. There was a concern amongst these customers that the transition was happening around them and concern over what would happen if they could not afford to make changes<sup>7</sup>. Electrification will challenge customers already experiencing vulnerability with limited financial resources<sup>8</sup>.

Although government incentives, such as Victorian Energy Upgrades for homes<sup>9</sup>, exist for upgrading energy-efficient appliances, they do not address network costs. Often customers transition away from gas cannot occur in the absence of installation of a larger fuse at their premise or a requirement to move from single to three phase supply. United Energy is uniquely positioned to assist in managing these network related electrification costs. We

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<sup>5</sup> Forethought, Broad and Wide Stakeholder Engagement: United Energy Summary Report, December 2022, p. 13 & 17.

<sup>6</sup> Forethought, Engagement Program with Customers Experiencing Vulnerable Circumstances, February 2024, p. 23.

<sup>7</sup> Forethought, Engagement Program with Customers Experiencing Vulnerable Circumstances, February 2024, p. 26.

<sup>8</sup> RPS, Customer vulnerability roundtable outcomes report, October 2023, p. 7.

<sup>9</sup> Department of Energy Environment and Climate Action 2024, Victorian Energy Upgrades for homes, Victorian state government website, accessed December 2024.

expect that the program will be able to assist at least 2,000 customers over the next 5 years, depending on the discount applied to the fixed charge.

Our CAP has highlighted the need for greater understanding of vulnerability in our network<sup>10</sup>. They consider efficient and effective delivery of vulnerable customer programs can only be achieved if there is robust vulnerability strategy in place that identifies and targets where programs can maximise their benefit. We therefore intend to work in conjunction with CAP on a network wide vulnerability strategy that will guide our implementation and operational strategies and ensure transparency and accountability on the operation of all vulnerability-based programs.

### 3.4 Energy advisory services

The energy advisory service (Service) is a data advisory program, administrated through our existing New Energy Services team and Electricity Network experts, that will offer bespoke data requests and advice on a range of community requests. Communities, First People organisations, welfare agencies and other institutions will have the ability to submit a bespoke request where fees are discounted or waived.

Today we receive many bespoke requests from councils, community groups and First People organisations. These requests often involve data and interpretation that requires resourcing from the network that we cannot offer without applying approved quoted service charges. These charges can be significant, and for many not-for-profit organisations, deter them exploring prefeasibility works that can be essential for accessing government supported grants and funding. Customers stressed the desire for greater data accessibility to support community level projects<sup>11</sup>. To establish these projects, customers must interpret the data, which is complex and for many users beyond their grasp<sup>12</sup>. We believe the network will be positioned to assist in this space and that is reflected both in customer sentiment and the number of bespoke requests we receive today.

Whilst it is difficult to estimate the number of customers who may benefit from this service, we have conservatively estimated around 14,000 over the next regulatory period, depending on the size and discounts offered. Any funding not utilised will again be returned to customers.

### 3.5 Endorsements

Following publication of the draft proposal, we incorporated feedback received from the test and validate engagement program, the CAP and FPAC. The proposed amendments to the original customer assistance package were then tested with the CAP, and changes to the First People elements tested with FPAC. FPAC endorsed the amendments proposed for the First People elements and the CAP endorsed the remaining changes. Both CAP and FPAC however emphasised their approval was conditional on appropriate governance being in place, and a frequent evaluation of each programs' performance.

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<sup>10</sup> Customer Advisory Panel: meeting 2, April 2023, p. 3.

<sup>11</sup> Forethought, Test and Validate: roundtables, November 2024, p. 13.

<sup>12</sup> RPS, Customer Vulnerability Roundtable: outcomes report, October 2023, p. 6.



### 3.6 Accountability

Customers, CAP and FPAC emphasised the need for an evaluation framework. Therefore, it is our intention to work with customers, CAP and FPAC to develop an evaluation framework to account and assess each programs' performance, develop its governance and ensure the sharing of knowledge gained. The evaluation framework will guide the programs and ensure they remain agile and responsive to customer needs.

### 3.7 Benefit to customers

We conservatively estimate the entire reach of the Customer Assistance Package will include over 49,000 customers. Whilst we do not go into detail here the assumptions underlying this estimate, have been presented and reviewed by the CAP.

It should however be noted the number of customers assisted will vary depending on the depth of discounts or nature of innovations. We will therefore be keeping a close eye on the performance of each program and ensuring the CAP and FPAC receive reporting at least annually.

### 3.8 Costing

The Customer Assistance Package was presented to all customers (not just those considered vulnerable) to test whether the outcomes aligned with expectations expressed in earlier engagement. The draft proposal included just over \$6.0M for the customer assistance package. We found post the draft proposal, the customer assistance package continued to be strongly supported, but it needed to be more significant to the create desired meaningful impact<sup>1314</sup>

To increase the reach and impact of this program, for the final proposal the Package has been increased to \$14.7M. This was endorsed by the CAP and the FPAC endorsed the First Peoples program.

A breakdown of the costs is presented in the table below.

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<sup>13</sup> Forethought, Test and Validate: roundtables, November 2024, p. 24.

<sup>14</sup> Customer Advisory Panel minutes, meeting 14, October 2024, p. 3

**TABLE 2      CUSTOMER ASSISTANCE PACKAGE PROPOSAL (\$M 2026)**

<b>PROGRAMS</b>	<b>2026-31</b>
Energy care	1.7
Community energy fund	4.1
Vulnerable customer package	5.5
Energy advisory services	1.8
First Peoples program	2.1
<b>Total</b>	<b>14.7</b>

## 4. First Peoples program

The First Peoples program (program) aims to empower First Peoples to make choices about their energy management decisions by sharing information on how to lower electricity bills, providing energy efficiency tips and tricks and giving information on current government rebates and funding programs.

The program will work towards delivering the following objectives:

- increase access to heating and cooling for First Peoples who are 60 and older.
- increase energy literacy through tailored and self-determined community engagement sessions.
- increase access to energy efficient appliances for vulnerable households.
- the program has been developed in conjunction with FPAC. The program will be adapted as needed when First Peoples communities' priorities change to ensure we are delivering on their energy-related needs and expectations. Any changes to the program or scope will go to the FPAC for approval.

### 4.1 First Peoples community energy literacy program

Throughout the engagement we have been told First Peoples need unbiased information on energy. This ranges from how to understand electricity bills, changing plans, how to be more energy efficient to what to do when an emergency occurs to renewable energy types and possibilities. Whilst there is information out there, it is often by retailers who are distrusted, considered biased and trying to sell or promote something. First Peoples communities are calling for tailored information, delivered by First Peoples.

This program is aimed at enhancing First Peoples engagement with energy. These sessions will be delivered in partnership with communities. For example, one session might be at an existing community event, whilst another might be sitting at a community organisation and booking in person yarns one-on-one with community members. We recommend community members bring along their electricity bills, but there is no obligation to. It is up to the community members to share what they are comfortable in sharing during these events.

When we attend existing community events to run the energy literacy program, there is normally a donation required. The cost of this program includes preparation of energy literacy materials and donations that may be needed to attend or sponsor these events. Supporting existing events is recommended over creating additional engagement and contributing to consultation fatigue.

To build relationships with community members and invite members over for a yarn, United Energy would normally provide merchandise with Aboriginal art available. The merchandise helps establish 5-minute yarns and is key to building relationships. It should be noted the cost for merchandise is not covered under the program.

## 4.2 First Peoples 60+ energy program

First Peoples have a life-expectancy 10 years lower than non-Indigenous Australians<sup>15</sup>. In addition, First Peoples disproportionately experience negative social indicators that affect health. These and other factors contribute to First Peoples in Victoria having a median age of 23 years – compared with 37 years for all Victorians<sup>16</sup>.

United Energy has heard firsthand from First Peoples customers, FPAC and First Peoples team that a lack of access to energy. How not having access to heating and cooling is contributing negatively to First Peoples health.

*"I don't turn on my heater and cooler, otherwise I will have to choose between food or paying for electricity"*

United Energy customer, BayMob expo

In response to this overwhelming need, we further tested and validated this program with community members. All 47 respondents rated this program in the top two priorities and overall, it was the highest priority for their communities.

Across United Energy there is approximately 350<sup>17</sup> First Peoples who are 60+. As heating and cooling costs roughly \$800<sup>18</sup> a year, the First Peoples 60+ Energy program aims to increase access to heating and cooling through a yearly \$500 rebate for the next 5 years. This program will reduce stress of electricity bills and ensure access to heating and cooling, where applicants must apply once - unless their living situation changes.

This program will be delivered in partnership with Aboriginal Community Organisations, Aboriginal Housing Victoria and Aboriginal Community Elders Services ensure that First Peoples community members are accessing the program.

To be eligible for the grant, applicants must demonstrate they are:

- of Australian Aboriginal or Torres Strait Islander descent and identify as an Aboriginal and/or Torres Strait Islander person and are accepted as such by the community in which you have been living or are associated with and be aged 60 and older
- are a low-income household, hold a concession, low-income health care card or pensioner card.

An FTE will attend key community events, Elders events and, where welcomed, Elders yarning circles to promote the program and assist Elders in applying for the program. The FTE will ensure that First Peoples applying are comfortable and reduce the shame or guilt felt.

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<sup>15</sup> Department of Health and Human Services 2017, Korin Korin Balit-Djak Aboriginal health, wellbeing and safety strategic plan 2017–27, State Government of Victoria, Melbourne.

<sup>16</sup> Australian Bureau of Statistics 2017, 2071.0 - Census of Population and Housing: Reflecting Australia - Stories from the Census, 2016, ABS, Canberra

<sup>17</sup> Australian Bureau of Statistics 2021, Census information on the Indigenous populations: Mornington Peninsula, Frankston and Melbourne East

<sup>18</sup> Victorian Government, Department of Energy, Environment and Climate Action 2024. Heating and cooling discounts

### 4.3 First Peoples energy appliance upgrade

Across our engagement sessions, First Peoples highlighted the need for low-income households to upgrade their electrical appliances. Some of the sentiment shared from community members was that sometimes they have an old washer, fridge, freezer, or air conditioner which is inefficient and increasing their electricity bill. However, they could not afford to purchase a more energy efficient appliance.

*"My food keeps going off because of the seal on my fridge... but I can't afford to buy a new fridge and put food on the table for my kids"*

United Energy customer, BayMob expo

First Peoples across Victoria still face inequity. Therefore, buying new electrical appliances or accessing solar/batteries is harder. The First Peoples energy appliance upgrade aims to assist those most in need purchase new electrical appliances. This program will be delivered in partnership with First Peoples organisations who provide critical housing to communities and Aboriginal Housing Victoria.

Households would only be eligible to receive 2 energy appliance upgrades over the next 5 years. To be eligible for the appliance upgrade, households must demonstrate that they are:

- of Australian Aboriginal or Torres Strait Islander descent, and they identify as an Aboriginal and/or Torres Strait Islander person and are accepted as such by the community in which you have been living or are associated with
- a low-income household, hold a concession, low-income health care card or pensioner card.

### 4.4 First Peoples impact

The First Peoples program aims to reach a minimum of 2 First Peoples community events a year through the energy literacy component and improve access to heating and cooling for a minimum of 300 First Peoples 60+ across United Energy.

### 4.5 Benefits

The First Peoples program will deliver the below benefits:

- deliver on the First Peoples communities, needs and expectations
- empower First Peoples to actively consider how they use electricity and can lower their energy needs
- engage communities on energy and reduce fear of electricity bills
- contribute to the National Closing the Gap objectives by ensuring Elders have access to Energy
- contribute to reducing the 'Energy Equity' Gap that First Peoples currently face
- assist in delivering capacity under the First Nations Clean Energy Strategy through providing energy literacy
- assist First Peoples in adopting more energy efficient appliances and therefore reduce energy costs for vulnerable households.

## **4.6 First Peoples support for programs**

Critical to the delivery of all these initiatives is ensuring there is a team who can support and operationalise these programs in a culturally safe manner. We have proposed a minimum of 0.7 FTE across United Energy's program to ensure the success of the First Peoples programs highlighted above.

## **4.7 Endorsements**

The First Peoples package has been endorsed by CAP and FPAC. The package has also been tested with all United Energy customers, who supported the First Peoples package, backing the importance of delivering these programs.

## **4.8 Reporting and accountability**

We will deliver, report, and monitor on the program to FPAC and the Executive. If there is a proposed change to the program based on learnings or feedback, it will go through the FPAC for approval. This will ensure that the program is successfully delivering on the funding committed under this initiative and being responsive to the First Peoples community's changing needs and energy related priorities.

Feedback will be captured from each program and reported every 6-months to the FPAC and the Executive.

## **4.9 How we are meeting First Peoples customer needs**

Our First Peoples program directly addresses First Peoples priority's as shown in the table below.

**TABLE 4.1 HOW UNITED ENERGY IS DELIVERING ON FIRST PEOPLES CUSTOMER PRIORITIES**

<b>FIRST PEOPLES PRIORITY</b>	<b>HOW IT IS BEING DELIVERED ON</b>
Access to energy is a human right	Access to heating and cooling for First Peoples who are 60+ is proposed under this program.
Energy literacy	A small amount of funding for materials and engaging First Peoples on energy literacy is proposed under this program.
Energy upgrades	First Peoples acknowledged the additional money they are spending on electricity to power old appliances, but stressed they didn't have the funds to upgrade old appliances other than when they break. First Peoples also reinstated the financial stress that occurs when appliances break and the need to sometimes borrow funds from family or someone in the community when this occurs.
Renewables	This is not something for which we are seeking funding in our regulatory proposal.

#### **4.10 First Peoples program costing**

Based on the feedback of United Energy customers, post the release of the draft proposal, the value of the First Peoples program was increased to support the desired impact. The FPAC and CAP endorsed the additional funding.

We have divided the funding of the First Peoples program based on how many First Peoples reside within each network and their priorities. The funding ensures there is adequate FTE to facilitate the programs in a culturally safe manner. Table 2 sets out our proposed expenditure on our First Peoples program for the 2026-31 regulatory period.

**TABLE 2 FIRST PEOPLES PROGRAM PROPOSAL (\$M 2026)**

<b>INITIATIVE</b>	<b>RESOURCING</b>	<b>2026-31</b>
Community energy literacy program	Materials and cost to attend events	0.1
	0.2 FTE	0.2
First Peoples 60+ energy program	Program Funding	0.8
	0.3 FTE	0.4
First Peoples energy appliance upgrades	Program Funding	0.4
	0.2 FTE	0.2
<b>Total</b>		<b>2.1</b>





For further information visit:

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