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Dear Mark

Ausgrid submission to the AER's draft Consumer Vulnerability Strategy

Thank you for the opportunity to provide a submission on the Australian Energy Regulator's (AER) draft Consumer Vulnerability Strategy (**the Strategy**).

COVID-19 continues to demonstrate that customer vulnerability can impact anyone, at any time, and that it can further compound existing situations of vulnerability. As such, Ausgrid supports the AER's development of this strategy and provides the following recommendations to the AER:

- Consider amending the proposed vision for the Strategy and the definition of 'consumer vulnerability' to include references to both temporary or ongoing consumer vulnerability; it is important to develop strategies and support that are tailored to customers in either temporary and/or ongoing vulnerability as customers can be in ongoing systemic vulnerability or newly vulnerable due to a sudden event such as illness or income loss. This will help customers better self-identify as vulnerable customers depending on their circumstances.
- Outcome 2 in the strategy on 'effective, tailored assistance' further supports amending the strategy and definition to incorporate "temporary" and 'ongoing'. However, this outcome could be amended to include a reasonability threshold so that it reads 'consumers facing payment difficulty receive effective, reasonable and tailored assistance.'
- Take a holistic approach to customer vulnerability, acknowledging that energy is an essential service and that if a customer is challenged by engaging with this service that challenge may be faced across all services with which they engage. For example, the AER could work with NEM jurisdictions to take a long-term sustainable approach to supporting vulnerable customers. Initiatives could include:
 - providing low income or housing services tenants with access to programs including, energy efficient appliances and sustainable energy solutions to bring down ongoing energy costs from competing demands to pay for food and medicine over energy bills;
 - amending the National Disability Insurance Scheme eligible equipment types to include funding for equipment, such as batteries, that maintain supply of electricity for life support equipment in the event of an outage; and
 - working with the AER and Services Australia so that Services Australia automatically notifies customers of their eligibility for State and Federal Rebates energy rebates and

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customer vulnerability programs upon receipt of a relevant Commonwealth concession card. This would improve rebate uptake as, for example, many COVID-19-impacted customers were unaware that they were eligible to receive energy rebates upon receipt of their Commonwealth concession card.

- Expand its understanding of customer vulnerability to include customers that are experiencing difficulty with paying for a broader range of safety defects. For example, Ausgrid issued approximately 560 bushfire-related defects in 2021 and were able to provide financial support to those customers under the bushfire exemptions. However we were unable to provide any support to over 3,000 customers who were issued non-bushfire related safety defects.
 - Service classification could allow network businesses to immediately rectify safety risks and allow the customer to enter into a payment plan to reimburse the network business for the cost of rectifying a wide range of safety defects. This mitigates the need for that customer to be potentially disconnected due to a lack of financial means to engage an Accredited Service Provider (**ASP**) under the NSW ASP Scheme. We additionally recommend that national or state funds, through existing or additional programs, could be used to support customers in higher levels of vulnerability with the structure of their payment plans.
- Leverage existing research, the findings of which we would be happy to share. For example,
 - more than 4,000 customers participated in research across the three NSW DNSPs;
 - as part of our regulatory reset program we are engaging with customer advocates and customers to understand their lived experience and challenges with our network services; and
 - we completed research on the needs of our Life Support Customers and conduct ongoing surveys with our customers to improve our processes.
- Note that Ausgrid's customer advocates have advised us that use of the term "hardship" could prevent people from accessing support, in response to this we amended our website language from 'hardship to customer assistance'.¹
- Embed the benefits of encouraging and engaging in joint initiatives and trials. For example, the Energy Charter members have an Australian Energy Foundation life support research project which is providing valuable insights across the sector.²

If you have any questions about this submission, or to contact us for further information, please contact Naomi Wynn, Regulatory Policy Manager at naomi.wynn@ausgrid.com.au.

Regards,



Karthik Venkataraman
Head of Customer and Partner Experience

¹ Ausgrid's Customer Assistance webpage. <https://www.ausgrid.com.au/In-your-community/Customer-assistance/>.

² Australian Energy Foundation (2021), Better outcomes for energy consumers using life support equipment at home. <https://grants.energyconsumersaustralia.com.au/archive/clean-reliable-energy-for-people-on-life-support-at-home/>.