



Ethnic Communities' Council of NSW Inc.

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4/7/2018

Submission to AEMC on Strengthening protections for customers in hardship consultation paper

The Ethnic Communities' Council of NSW (ECC NSW) welcomes the opportunity to provide feedback on the AEMC's Strengthening protections for customers in hardship rule change.¹

Since its formation over 40 years ago the ECC NSW has been the peak body for culturally and linguistically diverse (CALD) community members and representative organisations in NSW. ECC NSW main activities are advocacy, education and community development. It is a member of the Federation of Ethnic Communities Councils of Australia (FECCA) and the Energy Advocacy role represents FECCA in the National Energy Market (NEM).

ECC NSW is also an active member of the Energy and Water Consumer Advocacy Program (EWCAP) facilitated by the Public Interest Advocacy Centre (PIAC).

ECC NSW thanks the Commission for the opportunity to provide input to this paper. Funding constraints do not allow for ECC NSW to provide their own in-depth submission to the paper. We would like to fully and enthusiastically support the PIAC submission and to provide a CALD perspective on some of the issues where appropriate. ECC NSW welcomes initiatives to promote effective protections for customers including those experiencing payment difficulty.

We would like to strongly support PIAC's submission, with particular reference to the following:

- 1. The unnecessary distinction between payment difficulty and payment difficulty involving hardship;**
- 2. The failure of hardships policies to adequately protect consumers who face financial difficulty;**
- 3. Creating binding guidelines for energy retailers around hardship programs;**

¹ AEMC, National Energy Retail Amendment (Strengthening protections for customers in hardship) Rule 2018 – Consultation Paper, April 2018

4. Utilising the extensive work done by Essential Services Commission Victoria (ESC Vic) in their recently finalised Payment Difficulty Framework (PDF) to frame any proposed guidelines. ECC NSW was a party to the work undertaken in producing the Framework and its use in framing wider AEMC work would also give consistency across the National Energy Market (NEM);
5. That a clear definition be established for the term 'hardship' and that it would apply to all consumers facing payment difficulty.

ECC NSW supports all seven recommendations put forward by PIAC in its submission. We would like to add some CALD specific comments.

Energy retailers have consistently pointed to the difficulties in engaging some consumers who do not wish to be engaged.² Early engagement with a retailer when experiencing payment difficulties is crucial and a carefully crafted set of guidelines and accompanying documentation has the potential to provide support for engagement when utilised in concert with consumer and community support agencies. While attempts have been made in the past to make information accessible to a wide audience, we see little likelihood that individual CALD consumers on their own will find an English language version simple and easy to access and use. Based on recent Census data, approximately 27% of the NSW and Victorian population speak a language other than English at home,³ which often means verbal proficiency not literacy levels. This data also does not address specific CALD needs for communication in their first language, which varies considerably across language and cultural groupings.⁴

Research conducted by ECC NSW of CALD household and small business consumers in NSW and Victoria⁵ points to both a concerning lack of knowledge of payment assistance mechanisms in some CALD communities and a low take-up of those options even when there is knowledge in the community. This is particularly disturbing given that a range of CALD communities are over-represented in the lowest two income groups in ABS data from the 2011 and 2016 Census.⁶

Our work with CALD energy consumers adds considerable weight to the comments by PIAC concerning personal shame or embarrassment hampering communication with retailers or their representatives around payment assistance measures and programs. Apart from language impediments, there are considerable cultural barriers to sharing delicate and personally sensitive circumstances with strangers and this on its own would provide sufficient reason to NOT access assistance from a retailer.

Dispute resolution in a language other than English (LOTE) can be a costly and challenging process for all concerned. Energy businesses, welfare agencies, energy ombudsman schemes and others generally have translation and interpreter services

² For example the work done in ERAA Working Groups around engaging 'hard to engage' consumers, 2015

³ ABS Census 2016 Population data

⁴ See research conducted by ECC NSW, *Experiences of Energy Consumption for Culturally and Linguistically Diverse (CALD communities)*, 2016

⁵ Ibid.

⁶ ABS Census 2011/6 Income and Language data

available for CALD consumers, with widely varying effectiveness and availability. A major concern expressed by CALD consumers is that it can be too difficult (and these could be consumers in payment difficulty) to navigate through to genuine help that is delivered in a culturally appropriate way, and so it is not attempted.

The sensitivity and judgement of call centre staff and initial agency contact points for assistance are critical to the success of measures and mechanisms developed out of any binding guidelines. Appropriate communication and engagement of CALD consumers needing information, advice and guidance adds another layer to an already complex process and will rely heavily on training, monitoring and evaluation of the use of the guidelines in practice.

In any discussion of the implementation of binding guidelines, the question of costs often centres around the possible automation of assistance mechanisms. While the automation of some of the delivery of assistance may provide cost savings for agencies and businesses, for CALD consumers it could result in a negative effect on their engagement. This is compounded by the recognition, supported by ECC NSW research over several years across domestic and small business consumers,⁷ that CALD consumers are yet to use the internet in the same way as others. The internet is not a regular source of information for CALD consumers, rather word-of-mouth, relatives and trusted sources are. If automated assistance delivery is web-based it will not reach quite large sections of the wider CALD consumer population.

It will be most important in any drafting of the rule change that the low the awareness of entitlements and the low take-up of payment assistance in a range of CALD communities be addressed. As indicated earlier, ECC NSW research points to a low to zero accessing of payment assistance by some CALD communities even when they have information about the assistance. Information about the reasons for, and techniques and mechanisms to change this are yet to be determined.

Language is a primary barrier and one which is not necessarily relieved merely by providing access to interpreters or providing information in language. Literacy in their first language can be an issue with some CALD communities, particularly newly arrived and refugee communities.

As indicated above, internet use by some CALD communities is low, and provision of information and automation of the delivery may have major consequences for CALD consumers' engagement and utilisation.

Payment for energy services may not be one of the first priorities of a consumer from a recently arrived or refugee community. Housing, schooling for children, income, heating and cooling among a plethora of others require sorting out well before the first power bill arrives, if in fact they are the consumer who has the contract or offer from the retailer. Anecdotal evidence indicates that the arrival of that first (most often quarterly in arrears) bill for electricity, gas or water use can be a complete surprise to recently arrived

⁷ See research findings ECC NSW, *Experiences of Energy Consumption for Culturally and Linguistically Diverse (CALD) communities*, 2012 and 2016 as well as *Energy Smart Ethnic Small Business (BEST) project* 2014 available at <http://www.eccnsw.org.au>

consumers who have not experienced consistent, regular and reliable supply in their country of origin.

ECC NSW research has indicated current issues with CALD understanding, access to and use of payment assistance programs. This, coupled with CALD communities' general low use of the internet, will mean that there will be a reduced CALD take-up of assistance if their engagement and understanding rests on web-based methods of information and access. Information and engagement processes that work in CALD communities have been extensively trialled and form the basis for the ECC NSW Guidelines, *Cultural Connection: Engaging CALD energy consumers, 2015*.⁸

We again thank the AEMC for the opportunity to be involved in the consultation process and to have our views considered.

If you require additional information please contact Iain Maitland, Energy Advocate on 02 9319 0288 or email iain.maitland@eccnsw.org.au .

Sincerely yours,

Mary Karras



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⁸ ECC NSW, *Cultural Connections; Engaging CALD energy consumers, 2015*, digital version at www.eccnsw.org.au/what-we-do/Advocacy/Guidelines.aspx