

# Game Changer Consumer Exploration Workshops



**Uniting**

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# 1 Executive summary

[To be written]

## Acknowledgements

[To be written]

## 2 Introduction

### 2.1 Background

These workshops were conducted to inform the game changer design process. The game changer is a collaborative energy sector initiative led by the Australian Energy Regulator (AER). It is action 15 in the AER's *Towards energy equity* strategy for a more inclusive energy market.<sup>1</sup> The strategy emphasises that there are systemic challenges in supporting Australian energy consumers experiencing vulnerability, resulting in a lack of progress despite meaningful efforts to address this issue.<sup>2</sup> As a result, systemic change involving the whole energy sector is required to drive long-term improvements in outcomes for energy consumers experiencing vulnerability.

Therefore, there is a significant opportunity to work in collaboration with sector stakeholders to drive systemic change and advocate for an energy system and market that is inclusive of a broader range of consumers and that provides better outcomes for consumers experiencing vulnerability.<sup>3</sup>

Given the systemic nature of the change required, the AER is leading a collaborative reform design process, built on co-design principles within a human-centred design framework. This means that potential reform ideas are being co-developed with a 'game changer design group' comprising 20 stakeholder representatives from across consumer groups, ombudsman schemes, industry, government and researchers.

This design group has been exploring ideas since November 2022, with periodic feedback and input from a 'leadership group' of senior stakeholders from across the sector. Along the way, the design group has been consistently encouraged to explore ideas from a human-centred perspective – for example, how will each proposed reform be experienced in practice by the consumers it is intended to support?

The design group has been supported in initial idea generation and development by an independent facilitator with expertise in human-centred design (Leah Sertori from Executive Central Group). The current phase is focused on further developing the most promising game changer ideas, based on feedback received to date. Ultimately, the game changer aims to deliver a reform proposal for consideration by ministers and government.

For more information on the game changer, visit the Australian Energy Regulator's website: <https://www.aer.gov.au/industry-information/innovation-reform/game-changer>

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<sup>1</sup> Australian Energy Regulator (AER), October 2022, *Towards energy equity – a strategy for an inclusive energy market (Towards energy equity)*, <https://www.aer.gov.au/retail-markets/guidelines-reviews/towards-energy-equity-a-strategy-for-an-inclusive-energy-market>

<sup>2</sup> See glossary for the AER's definition of 'consumers experiencing vulnerability'.

<sup>3</sup> AER, *Towards energy equity*, p. 41

## 2.2 Purpose

These workshops were undertaken to support the design group in further developing the most promising ideas. In particular, the workshops will help ground the final design stage in a human-centred framework, ensuring that the detailed development of prioritised ideas appropriately considers the perspectives of those consumers the reforms are ultimately intended to support. More specifically, the workshops were designed to:

- provide general insight into systemic challenges faced by consumers experiencing vulnerability in the energy sector
- explore the potential impact of specific game changer ideas as prioritised by the leadership group.

The AER and design group are required to consider the workshop findings in further developing proposed game changer ideas (in addition to other sources of insight, including prior research with consumers with lived experience of vulnerability). The findings may also offer valuable insights to others concerned with improving outcomes for energy consumers experiencing vulnerability.

## 2.3 Approach

The workshops were run as online focus groups with two distinct participant cohorts: consumers experiencing vulnerability (i.e. those *currently* experiencing vulnerability) and consumers with lived experience of vulnerability (i.e. those who have experienced vulnerability in the past). Each cohort participated in two workshops as follows:

- **Session 1 – Initial exploration of systemic challenges (60–90 minutes):** The purpose of these sessions was to explore consumers' experiences in the energy market, particularly barriers they've experienced in relation to receiving or accessing support when they can't afford their energy bills (including support from their retailer and community organisations or financial counsellors).
- **Session 2 – Exploration of promising game changer ideas (60–90 minutes):** The purpose of these sessions was to explore how well specific game changer ideas may address the barriers experienced by consumers, and how they should be designed to address these barriers.

The same participants were invited to each session within a cohort, to allow for exploration of ideas in the context of specific systemic challenges raised by each group. Participants were recruited by Uniting from their client base in Victoria and Tasmania, and were paid \$100 for their time. All sessions were facilitated by Sue Fraser OAM, Senior Manager of Enterprise Partnerships and Development at Uniting. The AER game changer secretariat and game changer design group members observed the sessions.

	Cohort 1 – Consumers experiencing vulnerability		Cohort 2 – Consumers with lived experience of vulnerability	
Session	Session 1	Session 2	Session 1	Session 2
Date	9 December 2022	12 April 2023	6 April 2023	12 April 2023
Participants	<i>n</i> = 12	<i>n</i> = 10	<i>n</i> = 9	<i>n</i> = 9

## 3 Systemic challenges experienced by energy consumers

In the first session for each cohort, consumers were asked about their experiences in the energy market, particularly barriers they've faced in accessing support when they can't afford their energy bills, as well as opportunities to improve consumer experiences in the future. For example, consumers were asked about:

- their experiences with energy in the past, including good and bad experiences with energy retailers
- their experiences having difficulty paying their energy bills
- how people get information they need and ask for assistance when they are experiencing vulnerability
- how they would expect to receive information about available supports
- the barriers they face in asking for assistance and accessing support
- what changes they want to see in the energy market.

The findings from these sessions are presented below within identified themes. These themes capture key systemic challenges and barriers at a high level, based on consumer responses. Their implications for specific game changer ideas are considered in the key takeaways at the end of this section.

### 3.1 Navigating a complex and non-inclusive energy market

Consumers typically find the energy market to be complex and difficult to navigate. Specifically, consumers reported finding energy bills, comparison websites, and energy plans confusing. They mentioned 'hidden' fees, charges and contract conditions, as well as 'misinformation' and misleading comparisons on commercial comparison sites in particular.

*The whole industry is just so complicated, everything about the industry is designed to be complex on purpose.*

The energy market can also be difficult to navigate for other reasons, such as language barriers or the general feeling of being overwhelmed when experiencing vulnerable circumstances. These challenges can make it even more difficult to engage with the market in the way that is needed to access supports.

*I found when I got disconnected and I applied for the grant to get reconnected they sent out the forms for me to complete and it was too overwhelming, so I didn't fill it out and then I got disconnected again and this went on and on.<sup>4</sup>*

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<sup>4</sup> Quotes have been lightly edited for readability.

Consumers also face significant social and emotional barriers to seeking support. For example, multiple consumers shared the anxiety, discomfort, 'awkwardness' and shame of being asked to share personal information with call centre staff (including bank statements and details of family violence). One consumer described the experience of applying for support from their retailer as 'dehumanising', due to the need to 'prove that you are struggling'. This is in addition to the general 'embarrassment' and stigma associated with not being able to pay your bills, with consumers noting 'pride' as one of the biggest barriers to accessing support when needed.

**It's an embarrassing thing to be in hardship.**

Poor service quality can create or exacerbate barriers for consumers seeking support. For example, consumers indicated that payment plans are a critical support, but can also be particularly difficult to navigate. The most common challenge relates to negotiating an appropriate payment plan (that is, one they can actually afford to repay), which can be a difficult, inconsistent and time-consuming experience for consumers.

**It can take all day to negotiate, and you end up on a plan you can't pay. Then I had the experience where I didn't have to pay for 6 months and then did start payments when I could afford it. I don't understand why it is so different from company to company and staff. I had to mention DV and then a staff member mentioned all these ways to support me – I wouldn't have had a clue if that staff member didn't say anything.**

Consumers noted the important role that financial counsellors can play in helping them navigate the energy market, including by advocating for them with energy retailers and by providing information on concessions. However, while some consumers reported accessing financial counselling support quickly once they had reached out to their retailer or community support organisation, one consumer did report having to wait a couple of months. Another participant emphasised the impact of long wait times on consumers, and suggested the potential value of offering interim support or advice to consumers while they are waiting to access financial counselling support.

**People will wait until they've run out of their own options, so the wait time compounds the anxiety and the longer you're not doing something about your debt or it's out of control, the worse it may get. So I think the wait times are a really crucial factor to address.**

This suggestion was supported by others in the group, who noted the long-term impact of wait times on trust in the market and willingness to reach out and request support in future. They also highlighted the short-term reassurance that interim support might provide to consumers, by helping them feel that 'they're considered and in the system' while waiting for more personalised support. One participant suggested increasing funding to make it easier for consumers experiencing vulnerability to access financial counselling support.



I think it's really unfortunate that we don't have a more proactive approach to addressing the community's financial stresses. It's in the news all the time that people are doing it tough and that sort of rhetoric that we hear, and it would be really nice if more funding could be released to have more financial counsellors, to help people get on top of it.

#### **What did consumers suggest to address this challenge?**

- A central information hub or website where information from all retailers is provided in a consistent way to ensure accountability and transparency.
- Increased funding for financial counselling to make it easier for consumers experiencing vulnerability to access timely support.
- Interim support or advice for consumers waiting to access financial counselling.
- Reduce the amount of personal information required to access advice and support.

## **3.2 Experiencing variable service quality**

Consumers shared both positive and negative experiences with their retailers. For example, one participant valued energy efficiency advice provided by their retailer, but noted that they have never received similar advice from other retailers. Another consumer emphasised the wide variation in the level of support they received from two different retailers during times of hardship.

I guess it depends on what electricity provider or gas provider you're with, what the customer service is like.

Consumers particularly highlighted the lack of information provided regarding concessions, with multiple consumers indicating that they only became aware of relevant concessions through their participation in focus groups (rather than being advised by their retailer). One consumer shared an experience of being discouraged from applying for a concession while talking to their energy retailer.

It is strange that they're not forthcoming with any of this information – even when you say you have no money to pay, they still won't explain it to you.

Consumers feel that information on concessions is 'hidden' and should be provided in a more 'preventative' and proactive way (for example, when a customer is falling behind on their bill), rather than being 'reactionary'. Consumers suggested that this information could be provided by email (provided the email is easy to read, focused on one topic, makes the options clear, and uses appropriate formatting to draw attention to the key points), when they call their retailer, or through the myGov portal and app (where they receive Centrelink notifications).

One consumer suggested that concessions should be automatically applied, noting how finally accessing a concession allowed them to break out of an annual payment plan cycle.

If you've got a concession card, they should automatically apply that concession. I'm on a payment plan over winter and then break even in summer. It wasn't until these focus groups I knew about the Utility Relief Grants and now I'm off the payment plans. I wish I knew about the grant years ago.

Participants highlighted the value of ensuring a consistent quality of service 'across the board', for example through standardised training on vulnerability. Importantly, however, consumers emphasised the role of empathy, rather than the use of inflexible scripts.

Excellent training for staff so they can understand mental health. There was period in my life I couldn't open a letter and they would say just do it, there was no back-up support for that. More training on mental health and financial difficulty – a standard of training across the board.

An alternative suggestion from multiple consumers related to having a third party or 'central point' with responsibility for communicating with consumers experiencing vulnerability, with staff who are knowledgeable about the supports available and experienced in communicating with consumers experiencing vulnerability.

I think it's a great idea to have a third party – they could be trained on mental health and other issues. If there are people out there facing disconnection or falling behind in your bills the third party could reach out and say, 'Did you know there is a hardship program or a grant?' or explain what is available. And if they are being disconnected the third party could help.

#### **What did consumers suggest to address this challenge?**

- Standardised training on vulnerability, including mental health, financial difficulty, and the broader challenges faced by consumers experiencing vulnerable circumstances.
- A central service point (funded by all energy retailers) 'that guides you through the process, to help you know what you need to apply for and how'.
- A 'third party' with specialist staff who can proactively communicate with consumers experiencing vulnerability and help them access relevant concessions and supports.
- Clearer and more proactive communication regarding concessions, potentially via Centrelink or myGov.
- Automated application of concessions.

### 3.3 Managing unaffordable energy bills through underconsumption

Consumers experiencing vulnerability find energy to be increasingly unaffordable, particularly alongside increases in other essential costs such as housing.

People are in a lot of hardship at the moment, not to mention what's coming. It's going to get even worse.

In addition to seeking support through their retailers or energy concessions, consumers attempt to manage their energy bills through reducing their energy usage. However, while some consumers have found energy efficiency advice provided by their retailer helpful in achieving this, others have had less success in managing their energy bills this way.

I have solar, and I turn off all the TV and appliances off at the wall but still my bills are quite high \$300 month. It doesn't make sense. I'm on a payment plan so that helps but my bills are still high, I don't understand.

The challenge of managing unaffordable energy bills can have a significant impact on consumers' lives in other areas. For example, multiple consumers shared their experiences of food insecurity and how they were managing or responding to it, including through underconsumption, 'dumpster diving' or receiving food from charitable organisations. Consumers also indicated they were making other sacrifices in order to pay their energy bills.

To the energy companies I probably didn't look like I was falling behind because I was paying my bills, I had food, but I was living stingy in other ways.

Noting the difficulty many consumers have in accessing support and navigating the energy market, one participant suggested that there should be a simple, straightforward process for consumers experiencing vulnerability to access the best energy deal.

I think once we're coming and saying that we're doing it tough, we're on the concession rate, we're a low income card holder, I think you should just be given the best possible deal.

There was another suggestion for all retailers to provide a simple, regulated, low-cost energy plan to consumers experiencing vulnerability. It was suggested that this tariff could 'build' concessions into the tariff itself, simplifying the provision of support for consumers.

I think there should be a qualifying benchmark for low income and if you can establish that you make that benchmark, whether it's a healthcare card or whatever it may be, then there's just heavily regulated rates that are exactly the same for all providers.

Participants recognised that consumers have different preferences when it comes to energy plans and benefits, but that these preferences may change during circumstances of vulnerability and that ‘when people hold concession cards, it should really just be bottom line’ about providing tangible support.

I didn’t care too much about the tariffs or whatever because I was getting my free guernsey and I could afford it and it didn’t really matter and I felt like I was getting something free and then later in my life when I’ve had harder times, I just want it to be simple and fair and as cheap as it can be, because I actually really need it to be cheap this time.

Participants suggested that some consumers (particularly those who may have experienced vulnerability in the past themselves) may be willing to pay more on their energy bill in order to create a fund that could be used to provide support to ‘people who can’t afford to pay their electricity bill’, likening this to a ‘pay it forward’ program at a café or a ‘round up’ charitable donation program at supermarket checkouts.

It would be a great thing if someone is happy to pay an extra \$10.00 on their bill because they’re in a very comfortable position and it goes into a fund, which then if there are people struggling that fund can be used. Like pay it forward at the café – you know, you can pay for two coffees, and that means that someone who can’t afford the coffee for the day might have a coffee purchased by someone else.

#### **What did consumers suggest to address this challenge?**

- Easy access to ‘the most equitable’ energy deal.
- A clear, simple and low-cost energy deal for low-income consumers, which is consistent across retailers and ‘builds in’ concession supports to simplify access to support.
- A social fund paid into by consumers not experiencing vulnerability, which is used to support those who can’t afford their energy bills.

### **3.4 Being disconnected or excluded from an essential service**

Disconnection is a significant challenge for consumers, with a range of consequences beyond disconnection itself (for example, food wastage and insecurity, emotional trauma).

It was just a really dark time. I was relying on boiling water to wash myself and all this kind of stuff was very difficult. ... It’s quite traumatising, actually.

Consumers believe that energy businesses should not be able to disconnect customers from an essential service, especially customers who are on a hardship program. They noted the significant role of energy in facilitating other aspects of life, reflecting 'it's almost as essential as clean water' and critical to participating in society.

You could say electricity is a luxury, but is it? It's just a standard in our society that we have these things and it's the expectation that we have these things. So it is really as essential as food and water.

One consumer suggested using smart meters to implement supply restrictions rather than disconnections – for example, allowing consumers who can't pay for their energy to still access services during certain windows (e.g. during meal times) or up to a certain amount per day. Another consumer suggested that energy retailers should instead 'get on the phone and talk to you'. This was supported by other consumers, who noted the ineffectiveness of disconnection as a way to 'make you pay' and highlighted the need for improved communication in advance of disconnection (above and beyond 'knock before disconnect' initiatives).

The reason I know I was about to be disconnected is because they got a postman to come to my door that's when I know I'm about to be disconnected – I knew I had two days. It was just a rotating process of postman coming to the door, quickly trying to borrow the money to pay a little bit and try and get the electricity back on then disconnected again, using candles with the kids at night that sort of thing. They never tried to communicate with me just letters, no one tried to understand, if someone talked to me maybe we could work it out. All they did was chase me for the money and they still are.

Consumers experiencing vulnerability can also face challenges in signing up to a new energy retailer if they have existing debts, ultimately denying them access to an essential service.

**What did consumers suggest to address this challenge?**

- Replace disconnection with supply restrictions that allow consumers who can't pay limited use of services (e.g. within quotas or specific time windows).
- Improved communication in advance of disconnection, including using different communication channels (e.g. phone).

### 3.5 Trusting businesses in the energy sector

Although some consumers have had positive experiences with their retailers and express trust in 'the person providing the electricity', others express a lack of trust in energy companies generally, particularly when it comes to acting in their customers' best interests.

Energy companies don't care – if they have a monopoly as most do, they don't have to care.

One consumer indicated they believe that energy retailers use deliberately confusing pricing structures in order to make it more difficult for consumers to compare and choose plans, suggesting the value of more regulated pricing structures and communication. The idea of standardised and regulated communication of energy plans and bills was also supported by other participants. Nonetheless, consumers trust their energy bill as a source of information, and suggested it could be an effective communication channel to provide information such as concession availability and eligibility.

You can't trust the Internet, but the bill is your bill and people can't escape that information.

The lack of trust in information provided elsewhere appears to be driven by a heightened awareness of scams and a lack of trust in other market actors, particularly private comparison websites due to their commercial incentives.

There's so much misinformation out there in private companies acting under the guise of being a community service. But really it's some sort of ruse to get you in. I've become really sceptical about the information that's available.

Centrelink and myGov were also suggested as trusted sources of information. In general, consumers seem to trust the government to play a role in ensuring that consumers experiencing vulnerability in the energy sector receive appropriate information and support.

When you're in hardship there should be a government regulation so that everyone is treated the same and no one gets thrown by the wayside. That would mean only the people who need it get it.

#### What did consumers suggest to address this challenge?

- Government regulation to ensure consumers experiencing vulnerability are supported.
- Using trusted information sources such as Centrelink and myGov to communicate with consumers and help connect them with relevant concessions and supports.

## 4 Responses to potential game changer ideas

In the second session for each cohort, consumers were asked about specific game changer ideas. Ideas were selected for exploration with consumers in the context of:

- the systemic challenges raised by consumers in the first session for each cohort
- the nature of each idea, and particularly whether the idea includes a meaningful consumer-facing component
- feedback provided to the design group to date, including the prioritisation of ideas at the leadership group meeting on 29 March 2023.

The findings from these sessions are presented below in relation to each specific idea that was explored with consumers. A brief description of each idea is provided under each heading for reference, along with a summary of how the idea was explained to participants (noting that the explanation is indicative, and was adapted in the context of the conversation). It was also made clear to consumers that these are just ideas being considered by the design group at this stage, and are being explored with the intention of understanding whether and how they should be pursued further as part of proposed game changer reforms.

### 4.1 Automated better offer

#### **What is this idea?**

This idea would allow retailers to automatically place consumers experiencing vulnerability on the best offer for them (without the need for explicit and informed consent).

#### **How was it explained to participants?**

This is about making sure people (especially people who might be going through a hard time) are automatically placed on the best deal for them, without needing to specifically ask. It could involve, for example, your retailer using your usage or payment data to predict when you might be struggling to pay your energy bills and placing you on a cheaper offer without needing to ask for your consent. Of course, there could be other requirements that go along with this to keep you protected – for example, letting you know about the change as soon as possible, or reviewing the plan after a set period of time to make sure it really is a better deal for you. The expectation would be that they would have to make sure it really is the best deal for you, using whatever information and tools are available to them and to the regulator to make sure that is the case.

Consumers were supportive of the idea that energy retailers should be obliged to proactively offer consumers experiencing vulnerability the best deal, and generally agreed with the value of minimising the level of effort or friction involved in getting support during times of hardship. These consumers particularly noted the importance of easily accessing a good energy deal when experiencing circumstances of vulnerability, as compared to other times in their life when they may have been more willing to pay for other benefits such as green energy. Some consumers emphasised the potential value of an automated better offer in addressing the

overwhelming complexity of the energy market, with multiple similar competing offers (noting that energy comparison websites do little to resolve this issue in their experience).

However, other consumers were concerned about the idea of being placed onto this deal automatically. These consumers would prefer to be notified before the switch takes place, and value having a choice in their energy plan. This may be because they place greater value than others on the other benefits of an energy plan, due in part to the broader social goals these benefits may support (for example, being able to throw a birthday party for your children even in times of hardship, using movie tickets purchased using 'points' accrued through your energy plan). These consumers are willing to pay extra for such benefits even in times of hardship, and do not want to be automatically 'forced' onto a cheaper plan.

The times that I have rung up and said that I can't pay my bill or I'm struggling, they have very forcefully tried to get me to change my deal ... I feel that for me it's worth it because ... it's allowed me to now give my son a birthday party.

One consumer suggested that this issue could be addressed by offering multiple 'best potential offers' with different features to suit the preferences of different consumers. In this version, the retailer would reach out to the consumer and give them the option to choose among these potential offers. Other consumers questioned the definition of 'best' and highlighted that different consumers are likely to value different aspects of an energy plan – for example, for some consumers the 'best' offer may be the cheapest, whereas for others it may be based on environmental and social responsibility. However, another consumer noted that 'there is no difference between electrons' – this consumer was of the view that businesses should differentiate their deals in this way for non-concession holders, but that it was less relevant for those who are experiencing vulnerability and on concession cards.

Furthermore, one participant highlighted that some people already receive notifications on their bill in relation to potential better offers, but many do not see it because they do not look at their bill (for example, due to a direct debit payment arrangement). Another consumer noted the issue of trust, and particularly the hesitancy they might feel in trusting that a 'better offer' is actually the best offer for them. This was reflected by another participant's suggestion that a better offer notification should be accompanied by 'a bit of an education program' to help them feel certain that the deal being offered is the best deal for them.

Time is such a precious commodity and nobody has any, so it'd be great to have a system that's sort of automated or as simple as possible, as long as you can kind of trust it really. And how did you win people's trust after decades of companies taking advantage of people?



## 4.2 Central service body

### What is this idea?

This idea would centralise access to support services for customers experiencing vulnerability, a one-stop shop delivering energy-specific services to consumers and connecting them to wrap-around assistance and advice.

### How was it explained to participants?

This is about creating a single specialised centre to provide support to consumers experiencing vulnerability in the energy sector. It would have specially trained staff who know a lot about how to support you when you're struggling to pay your energy bills, such as what concessions you should be receiving and what other supports are available to help you more broadly. It might require, for example, your energy retailer referring you directly to this centre when they know or think you might be struggling to pay your bills, rather than trying to help you themselves or referring you to an internal hardship team. Of course, this would also mean some of your information would need to be shared between your retailer and this new specialised centre, such as your energy usage, payment history, or other personal information. The idea is that by sending you to a specialist centre, you will receive the best support possible from specially trained staff who work with people experiencing hardship day in, day out – regardless of who your energy retailer is or if you switch providers.

Consumers were supportive of the idea of a central service body for consumers experiencing vulnerability. They particularly noted the potential benefits of this idea in making it easier to navigate the complexities of the energy system, which is especially difficult during times of hardship.

I think it's a good idea because it just takes the pressure off you, doesn't it? It's one less thing that you need to worry about when you're in a stressful and vulnerable situation, because ... you just need an anthill to tip you over the edge at those times. ... I think we just need to take the pressure off these people who are vulnerable and make it as easy and as simple for them to be able to navigate.

The key benefits from the consumer perspective appear to be simplifying the process of accessing support and ensuring the quality and consistency of the information and service provided. For example, drawing on their experiences, consumers reported examples of poor communication between individual service agents, resulting in consumers needing to 'retell' their stories multiple times in order to access support. They also reported receiving conflicting advice or differing levels of support from individual agents. Another example involved support agreed with an agent not being carried through to their energy bill, requiring further touchpoints to resolve. Consumers indicated that a central service body with specially trained staff could meaningfully reduce the barriers to accessing support if it resolved some of these issues.

I think it would be wonderful because I kind of put my head in the sand for a little bit. I spent a few days so worried and I got so overwhelmed by not knowing what to do when I didn't have that information until I did eventually find that information. ... I kind of stumbled through and found my way to the bill smoothing payments and they were wonderful when I eventually did find it, but it could have alleviated the distress and the overwhelm to get there.

In general, consumers reported that it is 'more complicated than it should be' to access information and support, which creates significant confusion and anxiety. Multiple participants expressed a desire for a single, consistent information hub – 'somewhere we could get information that just went across the board to take out the confusion ... and not have to sort of learn each new company and their ways'. More specifically, some respondents pointed to Centrelink as an ideal information platform for energy consumers experiencing vulnerability. For example, they suggested the Centrelink website could be used to direct consumers to the best available offer or financial counselling services.

I think that's the main reason why people don't move on. I know that's one reason why I won't, because I'm terrified that something will happen in between and I won't have electricity or gas for a certain period of time. ... I think that doing it somehow through Centrelink would be the best option. It's a first point of call for people when they're when they are stressed.

However, it was also noted that this may exclude significant portions of the population, such as older consumers who do not use or have access to digital devices. One suggestion to reach these consumers was to educate doctors and nursing staff, particularly those who do home visits. Other hard-to-reach consumers who may need tailored communication channels include consumers from culturally and linguistically diverse backgrounds and men experiencing vulnerability for the first time, who may be less likely to reach out for help and therefore more reliant on word of mouth for accessing support.

Speaking as a guy, I don't think there is a first port of call. ... People just don't know what to do ... If it's the first time it's happened to them, it's unprecedented. ... I don't think they feel that there's anyone to reach out to. ... The best chance will be that there's some word-of-mouth situation where somebody else has been through this and they might be able to help steer them in the right direction.

One participant emphasised that consumers should be able to self-refer to a central service body, as well as being referred by their retailer. Another participant asked how it would be funded, leading to a conversation about a potential shared funding pool (see 4.6 below). Consumers saw some overlap between a central service body and other game changer ideas, such as automated better offer (see 4.1 above) and a social tariff (see 4.5 below).

Product rates for electricity that are standard across the board – like a social tariff for people who need it, domestic tariff for people who aren't on concessions, industry tariff – cuts out all this stuff. You don't need a website to compare anything you don't know. You might still need some central body to help people who are having difficulty. It might involve financial counselling services as well. But it just cuts out all the crap.

In considering a central service body, consumers emphasised the importance of appropriate training to ensure that staff 'know what they're talking about and know what people are going through in the real world'. As suggested above, this could include having financial counsellors on staff. The potential benefits of having financial counsellors on staff include removing the need for the consumer to track down their energy bills and reducing the need to seek separate support to access a financial counsellor elsewhere.

Data security was a concern for some consumers, who would want to explicitly consent to any transfer of data between their retailer and the central service body. One consumer suggested that, before referring the consumer to the central service body, the retailer could use 'a phone call or text message or something to say, "Can you give us a call at your convenience?" And it's a special number, not just a standard run-of-the-mill call centre. It's a specialised team that can explain it to you' and ask for your consent. When asked about potential 'triggers' for referring consumers to the central service body, consumers suggested such indicators as late payments, ignored phone calls, and requests for support.

### 4.3 Concession upgrades

#### **What is this idea?**

This idea would make systemic changes to improve access to concessions through automation, portability, or proactive support.

#### **How was it explained to participants?**

This is about updating systems and processes to try and make sure that everyone who is eligible for a concession discount on their energy bill receives it. It could involve, for example, more information-sharing between retailers (for example, when you switch retailers) or between retailers and government (for example, to allow easier access to concession eligibility records). This might mean that data is transferred between these groups more often, or that your retailer is able to actively check with the relevant government department or Centrelink whether you are eligible for a concession. The idea is that this would reduce or remove the need for you as the energy consumer to re-apply for your concessions or to specifically know which concessions you might be eligible for and apply for them manually.

Consumers were supportive of the idea of simplifying the process of accessing concessions. In general, consumers agreed with the principle of making it as simple and easy as possible to access support (including concessions) and indicated a general level of trust in Centrelink, including to play a proactive role in ensuring that consumers receive their concessions.

If Centrelink knows they just have to send it out to all the energy providers and therefore it saves everybody a lot of hassle.

However, there was concern from some consumers about the level of data sharing that may be required to facilitate more automated concessions, particularly among those who are aware of data security issues. These consumers would want to know more about what data is being transferred, who it is being transferred to and why. More specifically, they may want to feel comfortable that the data won't be sold or used for other purposes, or they may want the opportunity to provide their consent before the data is transferred

Consumers also feel there is significant opportunity for retailers to be more proactive about providing information to consumers to help them access concessions and other support when they need it. Specifically, consumers mentioned options such as including a notice on the energy bill, sending out a booklet each quarter, or asking about concession eligibility when consumers call their retailer.

I've only ever been asked about my concession card or my pension card when I've asked for the utility relief grant, and then they've needed that to get that number. But I've never, never been asked or offered. I've had to do that myself.

However, participants noted the importance of clarity and consistency when providing this type of information. For example, one consumer emphasised they would be more likely to trust a notice on their energy bill regarding availability of concessions if 'the formatting of the bill looks clear and official and simple', while another suggested that 'the government should be setting out the parameters that will be used by all the providers'. Importantly, one consumer pointed out that the notice should make it clear that the support provided will be empathetic and non-judgemental – there will be 'no difficult questions asked and they'll let you know' what supports might be available.

In contrast, consumers currently feel that they are 'stumbling in the dark' or 'floundering around in the dark', with little knowledge of what supports are available or where to go to find out more.

But if they have that information at hand, people can be made aware of what they are entitled to instead of floundering around in the dark.

## 4.4 Increased investment in the Financial Counselling Contribution Scheme

### What is this idea?

This idea would increase the amount that the energy sector contributes to the Financial Counselling Contribution Scheme (as per Sylvan Review recommendations) and create clear mechanisms to drive culture change within the sector.

### How was it explained to participants?

This is about increasing funding from the energy sector to financial counselling services. Nothing would change about how or where financial counselling services are provided – it would just increase the resources available for these services and hopefully reduce wait times.

Consumers were generally supportive of the idea of increasing funding for financial counselling. In particular, participants who have accessed financial counselling support in the past indicated it has significant value for consumers experiencing vulnerability and supported measures to ensure financial counsellors are available to consumers when they need them. The key benefit of financial counsellors from the consumer perspective appears to be the support they provide in helping consumers navigate the energy system. This includes helping consumers find an appropriate energy plan and advocating for the consumer with their energy retailer to negotiate appropriate payment plans, arrange for the consumer to access energy when they have a bad credit rating, and ensure access to other supports such as concessions. Other benefits include providing a 'sanity check' to resolve indecision and prompt consumers to reach out for support from their providers, making financial counselling 'a key step' in the process of accessing support.

When I get a financial counsellor, they can negotiate things better than I can ... But when I've tried to myself in the past, it didn't go too well.

Consumers suggested the potential value of having financial counsellors on staff rather than requiring external referrals (see also 4.2 above). This would avoid the consumer needing to 'go somewhere else' to access this support, which is 'just more stress on you' as the consumer. However, it was highlighted that financial counsellors embedded within energy retailers would need to maintain their independence to be effective. Regardless of the actual structure of the retailer–counsellor relationship, participants noted the value of making it easier for energy consumers to access financial counselling support.

I think it for me it would take the mystery out of financial counselling and take the pressure off financial counsellors because I have spoken with one recently and she couldn't help me out much because she was so, so snowed under. But I just think that would be a great link.

However, noting the funding required, others wondered whether direct support might be more beneficial.

If they're spending money on financial counsellors and whatnot, why can't they just give more of a discount to the client at the end of the day, instead of doing that?

## 4.5 Social tariff

### What is this idea?

This idea would create a reduced-cost electricity retail tariff for consumers experiencing vulnerability.

### How was it explained to participants?

This is about offering people who are struggling to pay their bills a special discounted energy deal, that gives energy businesses little to no profit. It may mean, for example, that if your energy retailer knows you receive a concession discount on your energy bill or have a health care card, they offer you this special deal or put you on it automatically. They might also use their data to put you on this deal if they think you're struggling to pay your bills, or they may use government records to see if you should be receiving it. Because it is a special deal with no profit, it would be standardised across all energy retailers and there wouldn't really be any options in terms of what type of tariff it is (e.g. flat-rate or time of use). However, it would definitely be the cheapest energy deal possible for anyone to get. This also means you could only be the deal for as long as you are struggling to pay your energy bills or meet any other criteria, such as having a health care card.

Consumers were supportive of a social tariff for consumers experiencing vulnerability. Specifically, consumers emphasised the potential for a social tariff to support consumers experiencing both short-term and long-term vulnerability. For consumers experiencing transient vulnerability, the social tariff would 'take away the pressure' and 'give people the opportunity to get themselves out of a situation at an affordable price'. For consumers who may be experiencing vulnerability over the longer term, a social tariff would provide unique, consistent support that would enable them to better manage predictable periods of energy hardship (for example, during the winter).

I think that's great, having a tariff that would be suited to the more vulnerable or the less fortunate ... I think the utility relief grant is incredible but I do feel that the two years is a long time, especially in those winter months. ... In the summer I'm very frugal and I don't really use my air con that much, but in those winter months you have to have a heater, you can't get around that.

Consumers highlighted that a social tariff would 'help a lot of people', especially if it was designed to include consumers experiencing a wide range of vulnerable circumstances.

That does sound great. I would like it because it is an essential service. I think it should be a bias towards being more inclusive in the people who get support ... Even if you can't go all the way to a social tariff, saying this is an essential commodity, everybody has the right to a certain amount of it. ... I think it's vital to get a system that people feel safe with.

The nature of energy as an essential service and the importance of 'electricity security' was raised by a number of consumers. Some consumers shared their experiences of having difficulty signing on with a new energy retailer due to a bad credit rating (primarily arising from debts incurred with partners but accrued to their name). One of these consumers highlighted the differing experiences they had with different retailers, and the critical role of a financial counsellor in helping them find a retailer who would 'take them on' as a customer.

Another financial counsellor found one for me, who was willing to hear my story out and help me and take me on. So there are companies out there who will, but you've just gotta keep trying and explain the situation.

## 4.6 Other

### 4.6.1 Shared funding pool

Although not explicitly included for exploration with consumers, the potential role of a shared funding pool in facilitating the proposed game changer ideas was discussed in both groups. Consumers expressed mixed views on this topic. On the one hand, there was some support for socialising the costs of supporting energy consumers experiencing vulnerability, reflecting the views expressed by some consumers in the first sessions.

I think if we could work out a way to have a level playing field for those people that are really in need, I think that would be a really great thing for society and unfortunately that sort of does mean that businesses or the more wealthy are going to have to sort of cover the cost of it.

On the other hand, as noted in 4.4 above, the level of support seemed to differ depending on the specific idea being funded and its perceived level of impact for consumers experiencing vulnerability, with more direct supports (such as a social tariff) seeming to receive more support than less direct supports (such as increased investment in the Financial Counselling Contribution Scheme). However, this was not a focus of the discussion, so the findings are only suggestive at this stage.

## 4.7 Key takeaways

### **What do these findings tell us about the potential of explored game changer ideas?**

- Consumers generally support all the explored ideas.
- Consumers seemed to feel that the social tariff would have the largest impact on consumers experiencing vulnerability. Consumers indicated this idea would provide meaningful support to consumers experiencing both short-term and long-term vulnerability and address a critical need for 'safety' and 'security' when it comes to accessing this essential service.
- A central service body delivering consistent information and support to consumers experiencing vulnerability also received particularly strong support. The key benefits highlighted by consumers related to clarity, consistency and accessibility of information (potentially in a single place or information hub from a trusted and familiar source, such as Centrelink), as well as the consistency and quality of service provided to consumers experiencing vulnerability (including service that is proactive and empathetic).
- Many consumers believe financial counsellors have an important role to play by helping consumers navigate the energy market and advocating for them with energy retailers.

### **What do we need to consider in further developing the potential game changer ideas?**

- In general, consumers strongly agree with the principle of making it as simple and easy as possible for consumers experiencing vulnerability to access information and support, noting the already significant barriers they face in doing so (including cognitive, emotional and systemic barriers). Consistency is an important part of being simple and easy.
- Due to the essential nature of energy, there appears to be a strong interest in government taking an active role in supporting energy consumers, especially consumers experiencing vulnerability – for example, using Centrelink as a central information hub, setting a regulated energy price for concession card holders, or prescribing information requirements to ensure clarity and consistency across retailers. There is also support for a socialised approach to supporting energy consumers experiencing vulnerability, for example through a social tariff or shared funding pool.
- Some consumers express a preference for individual control rather than automation, regardless of the potential for automation to reduce their energy costs by ensuring access to energy concessions or better energy deals. For example, these consumers would prefer to be given an option of 'potential best offers' to choose from or be asked for consent before data is shared for the purposes of checking concession eligibility. This appears to be a minority view, but one that is important to these consumers. The underlying drivers cited by participants are perceptions of value that do not align with the goals of these ideas (such as putting consumers experiencing vulnerability on the cheapest plan) and concerns about data privacy.
- Other than word of mouth, the most trusted and preferred communication channels are Centrelink (including the Centrelink website) and energy bills. However, these channels will not reach all consumers. Therefore, other channels (such as medical offices or workers) should also be considered for targeted communication with specific cohorts.



# Glossary

Term	Definition
Consumers experiencing vulnerability	<p>'Consumers experiencing vulnerability' refers to circumstances that mean a person may be less able to protect or represent their interests, engage effectively and/or are more likely to suffer detriment. This includes having insufficient capacity to pay for energy use. This experience of vulnerability may stem from:</p> <ul style="list-style-type: none"> <li>• characteristics of the energy sector or products (such as complexity)</li> <li>• individual circumstances, such as low income, lived experience of disability and/or mental ill health.<sup>5</sup></li> </ul>
Financial Counselling Contribution Scheme	<p>This is a voluntary funding scheme currently under development. A financial counselling industry funding model was recommended in the Sylvan Review.<sup>6</sup> The Department of Social Services consulted on a proposed funding model in November–December 2022.<sup>7</sup></p>
Utility Relief Grant	<p>The Utility Relief grant is a concession available to eligible energy consumers in Victoria, providing a maximum of \$650 for each utility type (i.e. gas and electricity) in two-year period, or \$1,300 for households with a single source of energy.</p>

<sup>5</sup> AER, *Towards energy equity*, p. 4

<sup>6</sup> Louise Sylvan, March 2019, *The Countervailing Power: Review of the coordination and funding for financial counselling services across Australia* (Sylvan Review), <https://www.dss.gov.au/communities-and-vulnerable-people-publications-articles/the-countervailing-power-review-of-the-coordination-and-funding-for-financial-counselling-services-across-australia>

<sup>7</sup> Department of Social Services, November 2022, *Financial Counselling Industry Funding Model: Discussion paper*, <https://engage.dss.gov.au/financial-counselling-industry-funding-model/>