



Getting to fair: decision paper

Breaking down barriers to essential services

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Why focus on the experience of vulnerability

The 'Getting to fair' strategy provides a consistent, coordinated, and long-term approach to addressing barriers to accessing and engaging with essential services.

The strategy is grounded in the voice of consumers. An 18-month research, engagement, and capability building program guided the development of this strategy.

This final decision paper outlines the goals, strategic objectives, and actions to be delivered over the next three years, how we developed the strategy, and what we learnt through our consultation and research program.

Purpose of our strategy

'Getting to fair' aims to break down the barriers consumers can face when accessing and engaging with essential services. It is a three-year roadmap for us to improve the experience of consumers experiencing vulnerability in our regulated and administered sectors. By working to better support those who are experiencing exclusion, our strategy will help support the interests of all Victorians.

Key areas for improvement

We have centred the development of this strategy in the experience of consumers. Our research and engagement pinpointed eight key areas for improvement:

- Consumers require appropriate, consistent and accessible communications.
- Consumer engagement needs to be universal and inclusive - leading to more accessible services.
- Consumer trust can be improved, to increase consumer empowerment and help to make choices or seek support.
- Consumers who need support should be identified quickly and supported effectively.
- Support offered to consumers should be consistent, helping ensure it is appropriate and flexible.
- Many First Nations consumers should receive better support and engagement to reduce their rates of disconnection.
- Government, industry and community organisations could coordinate more effectively to address issues across the system.
- Sudden, acute and unexpected challenges can have significant impact on consumers in the short, medium and long term.

How we plan to reduce barriers to access

We developed three delivery objectives to address the eight key improvement areas:

- Objective 1: Consumers experiencing vulnerability are supported to better understand and exercise their rights and can influence our work
- Objective 2: Services we regulate are more responsive, inclusive and accessible.
- Objective 3: The commission is more responsive, inclusive and accessible.

These objectives give focus to the experience of consumers, the opportunities for our regulated sectors, and our own opportunities to reduce barriers to the essential services we regulate. They are underpinned by our commitment to strengthening the voice of the consumer.

Background to the strategy

In 2019, we identified consumer vulnerability as a strategic priority for further examination.

Legislation requires us to consider vulnerable and low-income consumers in our decision-making.¹ But the unprecedented events of 2020 highlighted the importance of having a comprehensive and coherent strategy for the longer-term. The bushfires and coronavirus pandemic made it necessary for us to urgently adopt a comprehensive approach across our regulatory and administrative functions. And this experience also brought home that working with others, we can, and must do more.

We embarked upon an 18-month research, engagement and capability building program which has guided the development of our 'Getting to fair' strategy.

What this strategy means for consumers

Our aim is to ensure all consumers, regardless of their circumstances, have equitable access to the essential services we regulate and administer, and barriers to access that cause or exacerbate harm are reduced. The markets should treat consumers fairly, inclusively, offer adequate protections, and provide affordable prices.

The social security system and a wide range of Victorian and Commonwealth services and programs provide the primary supports to people experiencing vulnerability. But increasingly there is a recognition that businesses providing essential services also have a critical role to play. This is because the barriers that consumers experience are complex in nature and may require a multi-sector response.

¹ Essential Services Commission Act 2001, s 8A(e)(i).

Barriers can be temporary, long-term, or permanent, and consumers might be affected by multiple barriers at the same time. What we have learnt during the development of this strategy is that we all have the potential to experience vulnerability, this could be due to:

- an event (e.g. job loss due to the pandemic, family violence or personal circumstances such as the death of a loved one)
- systemic factors (e.g. employment insecurity, lack of access in regional areas, lack of digital literacy or racism)
- features of the market (e.g. where information is too complex, or products and services aren't designed with everyone in mind).

The 'Getting to fair' strategy demonstrates our commitment to improved outcomes for consumers at risk of, or experiencing, vulnerability across our regulated and administered sectors.

What we do and how we regulate

The Essential Services Commission promotes the long-term interests of Victorian consumers with respect to the price, quality, and reliability of essential services.

We regulate Victoria's energy, water and transport sectors, and administer the rate-capping system for the local government sector. We also administer the Victorian Energy Upgrades (VEU) program, which aims to reduce greenhouse gases by making energy efficiency improvements more affordable for consumers.

The way we do this is through:

- licensing and registration (energy)
- codes (water, energy)
- reporting and compliance (water, energy and transport)
- enforcement (energy)
- rate capping and outcomes reporting (local government)
- administering the Victorian Energy Upgrades scheme
- pricing (water, energy and transport).

Consumer voices have informed our strategy

We have centred the development of this strategy in the experience of consumers.

This involved running a deliberative panel that represented a cross-section of our Victorian community and we actively reached out to community representatives and advocates, including many we had not engaged with before. We also engaged with stakeholders through roundtables, a stakeholder reference group, and industry cross-sector workshops.

To build a comprehensive understanding of barriers to accessing and engaging with essential services in a changing world, we undertook research with other organisations and reviewed external reports.

Our final strategy is grounded in what we heard through our engagement and research program. See appendix 3 for more information.

Structure of the decision paper

This final decision paper presents our three-year 'Getting to fair' strategy. The paper outlines the goals, strategic objectives, and actions to be delivered over the next three years. It also sets out how we developed the strategy, and what we learnt through our consultation and research program.

A shorter strategy document that presents the goals, strategic objectives, and actions in 'Getting to fair' can be [found on our website](#).

What we mean by vulnerability

Definitions and terminology

Our legislative framework refers specifically to our obligation to have regard to ‘vulnerable consumers’.

Our research has shown us that the term ‘vulnerability’ is not always appropriate or well accepted, particularly by those the term is trying to describe.

This section sets out the information we gathered from our stakeholders, the approaches of other regulators, and our position on what consumer vulnerability means.

What we mean by vulnerability

The Essential Services Commission Act 2001 requires us to consider vulnerable and low-income consumers in our decision-making.² Our definition of consumer vulnerability is as follows:

A person experiencing, or at risk of experiencing, vulnerability is someone who experiences barriers to accessing or engaging in the essential services we regulate or administer. As a result of those barriers, that person experiences economic and/or social exclusion or harm. Barriers can include event-based circumstances, systemic factors, and market-based factors.

Our definition identifies barriers – rather than the characteristics of an individual – as the biggest contributing factor in reducing inclusion, access and engagement, and ultimately allows marketplaces that are inaccessible to many consumers to remain. With this definition, we aim to minimise the onus on the consumer and highlight the role regulators and businesses play in supporting consumers.

We mean barriers to include events, systems and structures that do not facilitate the participation of consumers.³ These experiences can include:

- Event-based circumstances such as illness, job loss, financial stress, family violence, death of a loved one, ageing and disability, natural disaster, global pandemic.
- Systemic factors such as unaffordable and poor-quality housing, insufficient work and employment insecurity, siloed services, digital living and the emergence of a digital

² Essential Services Commission Act 2001, s 8A(e)(i).

³ Emma O’Neill, ‘Exploring regulatory approaches to consumer vulnerability: a report for the Australian Energy Regulator’, Consumer Policy Research Centre, February 2020.

divide, regional limitations, low and inadequate rates of income support, racism and colonisation.⁴

- Market based circumstances such as inadequate or overly complex documentation, pricing strategies, marketing practices, and targeted services that exclude some customers.

Barriers can be temporary, long-term, or permanent, and consumers might be affected by multiple barriers at the same time. For example, the Victorian Pride Lobby submission highlighted some of the compounding factors that may be experienced by lesbian, gay, bisexual, trans and gender diverse, intersex, queer, and asexual (LGBTIQ+) consumers.⁵ Barriers may be the result of processes and practices of regulators, governments, essential services businesses, and other organisations that consumers need easy access to so they can participate equitably in essential services.

The coronavirus pandemic has demonstrated that anyone can experience unexpected or exacerbated barriers to access, and that economic and social exclusion can cause widespread harm as a result. This ultimately leads to decreased consumer wellbeing and an erosion of trust in the essential services that were designed to serve the long-term interests of consumers.

Acknowledging the importance of language in breaking down barriers

Language is important, and its use carries weighty implications, especially when it is used insensitively or inappropriately. Throughout our strategy development, we heard there is significant stigma attached to the term ‘vulnerability’, and our strategy should not create any additional barriers for consumers. Inclusion and accessibility are key outcomes of our strategy, and we must acknowledge that the term ‘vulnerable’ is a clear barrier for consumers in essential services markets. See appendix 2 for more information about language.

Stakeholder feedback on the draft definition of vulnerability

There was support for the draft definition and its focus on barriers to access and engagement – rather than focus on the individual.⁶ We heard that our definition could be improved by including

⁴ The Consumer Action Law Centre 2021 *Submission* noted the specific systemic barriers faced by First Nations consumers as a result of the ongoing impacts of racism and/or colonisation.

⁵ The Victorian Pride Lobby 2021 *Submission* cited research that has suggested that “nonconformity frequently equals invisibility”. Their submission outlined factors that can compound this vulnerability, such as event-based circumstances and identity-based factors such as speaking languages other than English, low literacy or digital literacy, and being a new migrant.

⁶ Uniting 2021, *Submission*, AMES 2021, *Submission*, Coliban 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*, Australian Gas Infrastructure Group 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*.

reference to types of barriers, replacing language of ‘participating’ with ‘accessing and engaging’, and including those ‘at risk of vulnerability’ in the definition.⁷ We have made changes to the definition to reflect this feedback.

Some submissions questioned how this definition will be applied in the current regulatory framework, raising concerns about how the different aspects of vulnerability that are invisible or undisclosed can or should be identified and addressed.⁸ This feedback will inform the scoping and implementation of actions that focus on industry education and supporting better practice approaches.

Our hybrid approach to communicating on vulnerability

To ensure we can work proactively with all our stakeholders, and at the same time model and influence better practice, we have adopted a hybrid approach for communicating about vulnerability.

This approach acknowledges our legislative objectives and functions

Our legislative framework refers specifically to our obligation to have regard to ‘vulnerable consumers’.⁹ This language is embedded in the regulatory environment in which we operate and ensures the legal integrity of the work we do. Similarly, we have noted that ‘vulnerability’ is a widely used and recognised term for regulators and across sectors.

We will reframe the term ‘vulnerability’ when communicating about our legislative functions

In recent years, among the community sector and industry stakeholders, there has been a purposeful shift away from saying ‘vulnerable consumers’, instead using the phrase ‘consumers experiencing, or at risk of experiencing, vulnerability’. This is to recognise that it is the **systems** and **structures** that create barriers to access, and not an inherent quality that makes someone ‘vulnerable’. We support this, but still see room for evolution of better practice in this space.

We will continue to use ‘consumers experiencing, or at risk of experiencing, vulnerability’ in our communications to specialist stakeholders, such as government partners, industry and relevant

⁷ Consumer Action Law Centre 2021, *Submission*, Brotherhood of St Laurence 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Economic Abuse Reference Group 2021, *Submission*.

⁸ Origin Energy 2021, *Submission*, AGL 2021, *Submission*.

⁹ Essential Services Commission Act 2001, s 8A(e)(i).

community stakeholders. These communications are often more explicitly linked to outlining how we intend to fulfill our legislative functions.

We will use inclusive language in public communications

We will use more inclusive terms (some of which are discussed below) when communicating directly to consumers who may face barriers to access. We will also avoid the term 'vulnerability' in that context. We encourage others to do likewise.

When communicating outwardly, we will use language suggested by our stakeholders, including:

- resilience
- wellbeing
- equity
- accessibility
- inclusion
- fairness.

This approach reflects the feedback we have received through our research and engagement program, the context of our authorising environment and the audiences we commonly communicate with.

Consistent with this approach, we use 'consumers experiencing vulnerability' throughout this strategy. For more information about how we identified best practice terminology, see appendix 2.

Stakeholder feedback on our hybrid approach to terminology

Submissions broadly supported our hybrid approach to terminology.¹⁰ For example, it was recognised in one submission that 'use of the term 'vulnerability' in regards to a customer can be a barrier in itself. We feel that the hybrid approach does not take away from the intention of the strategy.'¹¹ We will continue to use the hybrid approach when communicating with stakeholders.

¹⁰ Consumer Policy Research Centre 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*, Victorian Pride Lobby 2021, *Submission*, Economic Abuse Reference Group 2021, *Submission*.

¹¹ Water Services Association of Australia and VicWater 2021, *Submission*.

Our strategic framework: goals, objectives and actions

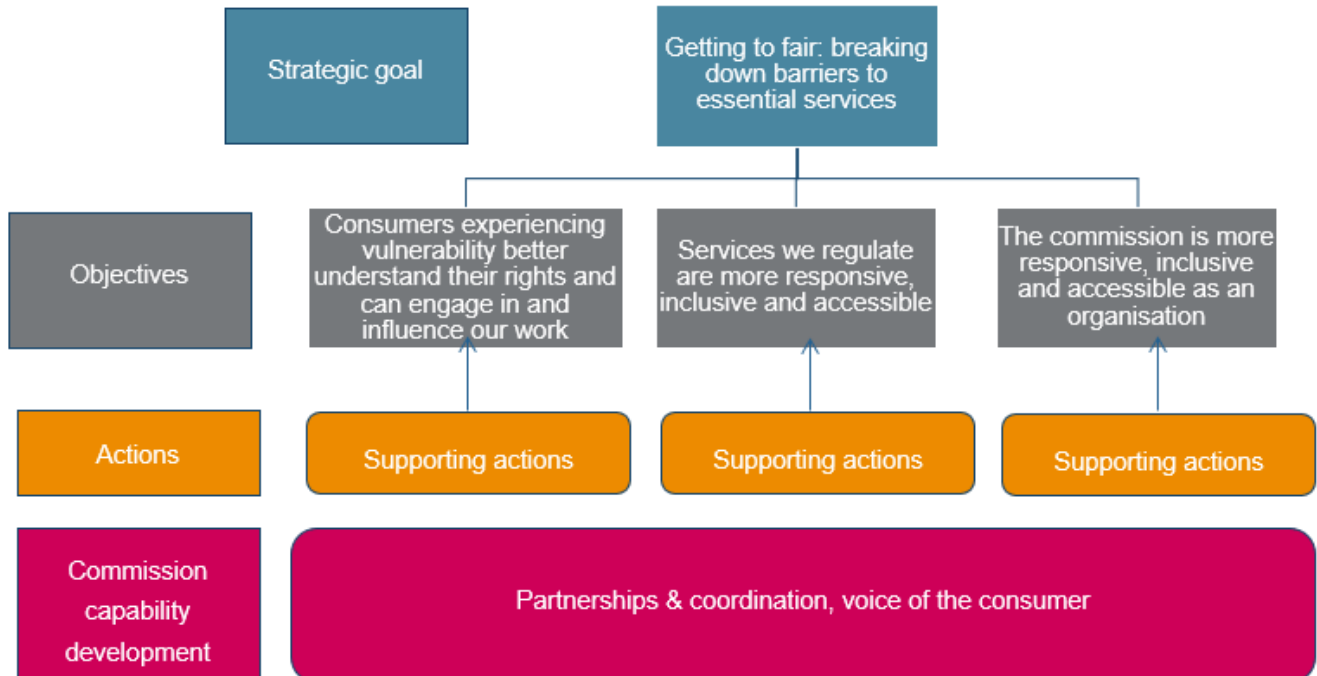
This section sets out the strategy structure, including the goal, objectives, actions and areas of commission capability development. It also includes feedback from stakeholders that influenced how we developed the structure, including changes between draft and final decision.

Our strategic goal is to break down barriers to essential services. This goal was identified based on what we heard through our research and engagement program. Eight themes also emerged from this program, which influenced the development of our strategy objectives and actions.

Our three objectives, with supporting actions, outline the work we will do to address our themes and achieve our goal. The objectives give focus to the experience of consumers, the opportunities for our regulated sectors to reduce barriers to access and engagement in the services we regulate, and our own opportunities to be more inclusive, responsive and accessible.

The actions reflect the areas of work that will serve to address the three objectives and are supported by a focus on developing our own capability in two key areas: partnerships and coordination, and voice of the consumer. Our strategic framework is presented in figure 1 below.

Figure 1: Getting to fair strategic framework



Stakeholder feedback on the draft strategy structure

This framework has been developed based on feedback we received on our draft strategy. We consolidated the eight themes into three objectives and identified two commission-wide capability builders that relate to all objectives and most actions. As noted in one submission, “too many goals and initiatives may prevent quality progress being made. We recommend the overall number of goals be reduced and prioritised.”¹²

We also consolidated the 34 initiatives from the draft strategy into 10 actions to better reflect how they will contribute to the overall goal of the strategy. This approach also highlights opportunities for sharing and learning between sectors.

This clear outline of our strategy’s elements is supported by our stakeholders. One submission noted the value of a strategic framework in showing how the components of the strategy will operate as a whole to achieve the outcomes.¹³

Strategic goal: Getting to fair, breaking down barriers to essential services

Our strategic goal of ‘breaking down barriers to essential services’ is grounded in what we heard through our research and engagement program: that more can and should be done to improve access and engagement with essential services.

Our strategy acknowledges that regulators need to play a greater role in helping empower consumers to make choices and seek help when they need it. We will do so by breaking down barriers and facilitating equitable access to essential services.

The strategy framework and a detailed description of the objectives are outlined below.

¹² AMES 2021, *Submission*.

¹³ Australian Energy Council 2021, *Submission*.

Objectives and actions

The objectives of the strategy give focus to the experience of consumers. They are grounded in the eight key areas of improvement (themes) identified through our research and engagement program. Each objective focuses on the role of a specific group in achieving better consumer outcomes: consumers (objective 1), our regulated sectors (objective 2) and the commission (objective 3). The actions reflect the areas of work that will address the three objectives.

Objective 1: Consumers experiencing vulnerability are supported to better understand and exercise their rights and can influence our work

Understanding consumer rights and how to access them can support consumers to engage with and seek timely support from providers of essential services. However, the Consumer Policy Research Centre found that 46 per cent of people seeking payment difficulty support had negative experiences when contacting their energy providers.¹⁴

Research uncovered additional reasons why consumer rights are not well understood, including:

- In the energy market, complexity coupled with inconsistent support from retailers eroded consumer trust and disempowered consumers from self-advocating.¹⁵
- People are unsure how to, or cannot, access information, and may not trust the information provided by businesses.¹⁶ This is exacerbated for people whose first language is not English.
- A decrease in information and support available to First Nations consumers due to the inability of services to go to communities and provide information during the coronavirus pandemic.¹⁷

One of the community panel recommendations focused on awareness of consumer rights, entitlements, and obligations:

[the commission] work directly with consumers, and in partnership with organisations, to help educate consumers to become more aware of their rights, entitlements and obligations so that they are confident and empowered to understand, act and navigate the system with positive outcomes.

¹⁴ Consumer Policy Research Centre, 'COVID-19 and Consumers: from crisis to recovery', June 2020, p30.

¹⁵ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p18.

¹⁶ Thriving Communities Partnership, 'Disaster planning and recover collaborative research project, June 2020, p30.

¹⁷ Stakeholder reference group meeting, Essential Services Commission, held online, 3 December 2020.

We are committed to increasing consumer's understanding of their rights. The actions outlined to achieve this objective focus on capturing the full spectrum of consumer needs through developing and implementing processes for communication and relationship-building with consumer community groups, and direct engagement with consumers.

Objective 1 actions: Consumers experiencing vulnerability are supported to better understand and exercise their rights and can influence our work

Over the next three years, we will take the following actions for objective 1.:

Work collaboratively with our regulated sectors to support more effective and targeted engagement with diverse consumer and community groups, including:

- on the effectiveness of family violence provisions currently in place across our regulated sectors
- with energy retailers and distributors, particularly through the payment difficulty framework review
- with water businesses in establishing prices, service standards and customer codes
- explore opportunities to support intermediaries to advocate on behalf of their clients
- to improve our engagement with groups representing consumers as part of our compliance and enforcement processes
- on the Victorian Energy Upgrades' engagement program
- on the economic regulation of commercial passenger vehicles.

Develop a better understanding of First Nations consumers (acknowledging Aboriginal self-determination as a guiding principle). In doing so we will:

- better understand the relationship First Nations people have with country
- explore and adopt culturally appropriate ways for First Nations communities to directly guide and influence our work
- support effective engagement between water businesses and their First Nations consumers and community through our regulatory role.

Pursue better practice communication and engagement in our work, including:

- investigate ways to build stronger relationships with diverse consumer groups as part of the review of our stakeholder engagement framework to ensure we hear from a variety of perspectives
- improve consumer facing information to better meet the diverse needs of consumers, in understanding their rights, including in the Victorian Energy Upgrades program
- address accessibility and inclusion of customer-facing information through the implementation of the digital strategy.

Include the voice of the consumer to better inform our work in:

- Our reforms and monitoring of the energy market, including the effectiveness of the payment difficulty framework.
- The outcomes of the review of the water customer service codes.
- The effectiveness of family violence provisions currently in place across our regulated sectors, work in collaboration with the community and government stakeholders to promote better industry practice.

Objective 2: Services we regulate are more responsive, inclusive and accessible

To effectively identify and respond to the diverse needs of people experiencing, or at risk of experiencing vulnerability, service providers must be responsive, inclusive and accessible.

However, research showed several examples where services and supports were often not developed in an inclusive or responsive way, leading to an inaccessible service provision. This can be further complicated by people experiencing vulnerability needing to engage with essential services in different ways. Often, their engagement with services needs to reflect their individual circumstances, particularly at times of acute stress. This is usually done through trusted intermediaries such as financial counsellors, community legal services and community groups.

Dealing with inaccessible service provisions in the energy market, some customer support workers have resorted to hanging up and calling the retailer back until they find someone that can help. One support worker told the Consumer Policy Research Centre:

Halfway through the conversation, if they are not helpful, we hang up and call again because we will get someone more helpful... Hang up and we will talk to someone who knows what they are talking about.¹⁸

While many government support mechanisms were made available quickly during the coronavirus pandemic, we heard feedback from community sector workers, that support measures did not always reach consumers most in need.¹⁹

We are committed to working collaboratively with regulated sectors to build their capability to provide more responsive, inclusive, and accessible services to consumers. The actions outlined to achieve this objective focus on working collaboratively with regulated sectors to support a consistent understanding of vulnerability and improve consumer outcomes.

¹⁸ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 4 final report), interviews report for the Essential Services Commission, June 2021,., p4.

¹⁹ Community panel reflections, community panel meeting, Essential Services Commission, held online, 9 December 2020.

Objective 2 actions: services we regulate are more responsive, inclusive and accessible

Over the next three years, we will take the following actions for objective 2.

Support better practice in delivering services to consumers experiencing vulnerability in our regulated sectors. Including:

- a review of the effectiveness of the payment difficulty framework, focusing on implementation
- a review of the effectiveness of family violence provisions currently in place across our regulated sectors, and work in collaboration with community and government stakeholders to promote better industry practice
- using industry education to support better practice approaches for energy retailers and distributors to have a consistent understanding of vulnerability and how to better communicate with consumers experiencing barriers to access
- supporting more universal and inclusive engagement practices by water businesses when preparing their submissions to us
- working with accredited providers and the Department of Environment, Land, Water and Planning to expand the Victorian Energy Upgrades program to better reach diverse consumer groups
- identifying and promoting best practice approaches to consumer outcomes through our collaborative work with the local government sector

Include consideration of consumer vulnerability as an enduring priority in our compliance and enforcement work.

Monitor our regulated markets through qualitative and quantitative data to better understand how consumers experiencing vulnerability interact in the sectors we regulate.

Provide advice to government on consumers' experience of vulnerability as it relates to our administered and regulated sectors.

Objective 3: The commission is more responsive, inclusive and accessible

As the state's economic regulator, we play a central role in achieving this strategy's goal of 'Getting to fair: breaking down barriers to essential services'. We are committed to building capability internally and within our regulated sectors so consumers who need support are identified and supported effectively and in a timely way.

Meeting the needs of diverse groups is key to providing appropriate communications to consumers – particularly in relation to support. Research shows consumers in need of support in essential services markets are not always identified in a timely manner, leading to a long-term experience of vulnerability. Research also shows that currently the diverse needs of Victorian consumers are often not met by businesses or regulators. For those experiencing vulnerability, language barriers can often cause or exacerbate harm, excluding consumers from seeking support. For instance, it was noted in one of our cross-sector workshops that awareness of the Utility Relief Grant Scheme remains low among those whose first language is not English.

The actions outlined to achieve this objective focus on developing a better understanding of the experience of vulnerability, how these consumers interact in the sectors we regulate, and on improving internal processes and procedures in line with this.

We acknowledge self-determination as the guiding principle in Aboriginal affairs. We recognise that self-determination involves more than consulting and partnering with Aboriginal Victorians on relevant policies and programs. We understand that there is a continuum that leads to Aboriginal self-determination, ranging from informing community through to transferring decision-making control. While we are at an early stage of advancing self-determination, we are committed to taking steps along this path.

Objective 3 actions: the commission is more responsive, inclusive and accessible

Over the next three years, we will take the following actions for objective 3.

Demonstrate best practice as an organisation to be more responsive, inclusive, and accessible.

Including:

- promoting greater use of social procurement across the organisation
- ensuring we are consistent in our approach to equity, access, and inclusion in recruitment and induction
- building organisational capacity and awareness in using universal and inclusive engagement in our stakeholder engagement work
- meeting our obligations under the Gender Equality Act 2020
- develop a policy on when and how we remunerate participants in our engagement processes.

Develop a better understanding of First Nations Victorians (acknowledging Aboriginal self-determination as the guiding principle). In doing so we will:

- develop and publish our plan to move from inclusion to self-determination
- build cultural safety across the organisation.

Commission capability development

Work cutting across all objectives is critical for the delivery of this strategy. We identified two cross-cutting enablers: strengthening the voice of consumers, and partnerships and coordination. These relate to all objectives and most actions.

We heard through our research and engagement program, as well as submissions, about the importance of the voice of consumers guiding our work.²⁰ We also heard that the role of partnerships and coordination is important to making real change to the experience of consumers encountering barriers to essential services.²¹

This feedback supported our decision to highlight the voice of consumers, and partnerships and coordination as areas for commission capability development. We will build this capability through the implementation of this strategy.

Strengthening the voice of the consumer

This strategy aims to ensure the voice of consumers is better reflected in our work. We will bring together qualitative and quantitative data to better understand how consumers experiencing vulnerability are supported across the sectors we regulate.

Listening to consumers, and responding to their concerns, is critical to achieving the anticipated outcomes from this work. Envisioned through several actions, we see improving consumer engagement and incorporating consumer voices in our work as integral to us remaining an effective, empathetic, and responsive regulator. Feedback in submissions was generally supportive of this, with one submission stating:

“Without the voice of the consumer in deliberations around actions or regulation that will impact their experience with the energy market, we will continue to repeat the mistakes of the past. Uniting fully supports the Commission’s goal to be more inclusive of consumer experiences, especially in the design of new processes and regulations.”²²

²⁰ Uniting 2021, *Submission*, VCOSS 2021, *Submission*, Alinta Energy 2021, *Submission*

²¹ AGL 2021, *Submission*, Meridian Energy 2021, *Submission*, Energy Australia 2021, *Submission*, Australian Energy Council 2021, *Submission*, Origin Energy 2021, *Submission*, Red Energy & Lumo Energy 2021, *Submission*, Simply Energy 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*.

²² Uniting 2021, *Submission*.

We are committed to improving consumer engagement. To do this, we will:

- bring together qualitative and quantitative data to better understand how consumers experiencing vulnerability are supported across the sectors we regulate
- listen to consumers and respond to their concerns.

Partnerships and coordination

Overwhelmingly, we heard that more can be done to coordinate across regulators, governments, industry, and the community sector to address system issues causing barriers to participation and prevent consumers receiving the support they need.

Our community panel saw a distinct role for us in continuing to coordinate and build relationships across sectors to support systems change, and recommended the commission:

...form active partnerships with relevant government, community and industry entities to take collective responsibility for consumers experiencing hardship. These partnerships will deliver tangible outcomes and systems improvement – delivering affordability, equity and accessibility – which are supported through internal and external accountability.

We received feedback in submissions about opportunities for greater coordination, partnerships, and funding of services to support consumers experiencing vulnerability (see discussion under theme seven on page 47).²³

Illustrated through several actions, we will continue to play an active role in building relationships and bringing stakeholders and decision-makers together to address system issues in our regulated sectors.

Next steps: measuring the success of our strategy

This strategy provides us with a pathway for the next three years. However, this is a living document – the start of our ongoing journey. We will be reviewing the strategy periodically to update it based on current and future needs.

²³ AGL 2021, *Submission*, Meridian Energy 2021, *Submission*, Energy Australia 2021, *Submission*, Australian Energy Council 2021, *Submission*, Origin Energy 2021, *Submission*, Red Energy & Lumo Energy 2021, *Submission*, Simply Energy 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*.

Measuring success

A key part of this strategy's implementation will be our measurement framework. The framework will ensure accountability and provide an understanding of how the actions have made progress towards the objectives.

Much of what this strategy aims to achieve is cultural change, so measuring its success will require collaboration. Throughout 2021–22 we will be working closely with our stakeholders to develop high-level aggregate measures of effect. Each action will have its own measure that is specific, measurable and timebound. Some actions – like the review of the payment difficulty framework – will have their own consultation period to ensure industry and community input.

We heard through the submissions that we needed to improve our proposed measures of success. For example, one submission stated: “We ask that the commission establish clear measures of success for these actions to enable industry to measure and plan for the appropriate prioritisation of future activities.”²⁴ This is explored further in ‘Figure 2: developing our strategy

²⁴ Alinta Energy 2021, *Submission*.

What we heard in consultation on the draft strategy' on page 26.

We will report back to stakeholders annually on the progress of our strategy.

Strategy timeframes

While this version of the strategy will be in place for three years, we are committed to annually reviewing its success and updating it to ensure the best possible outcome.

It is intended to be a long-lasting program that will change and develop as our regulatory framework does. The actions that make up the strategy reflect this timing, but some actions may continue beyond 2024 to suit the ongoing needs of their delivery

Continuing engagement

We will continue to engage with regulated and administered businesses, consumers, community advocates and government while this strategy is implemented. This will take the form of informal and formal consultation processes, events and actively building partnerships with government, businesses, and the community sector.

How we developed our strategy

Our 18-month program to develop our strategy

Our strategy to address barriers to access essential services has been informed by:

- **qualitative and quantitative research** to capture the varied experiences of different consumers and emerging data trends
- **an internal and external engagement program** (including deliberative engagement with Victorian consumers)
- **capability building activities** to model and reflect our values and expectations.

Our approach in developing the strategy was based on:

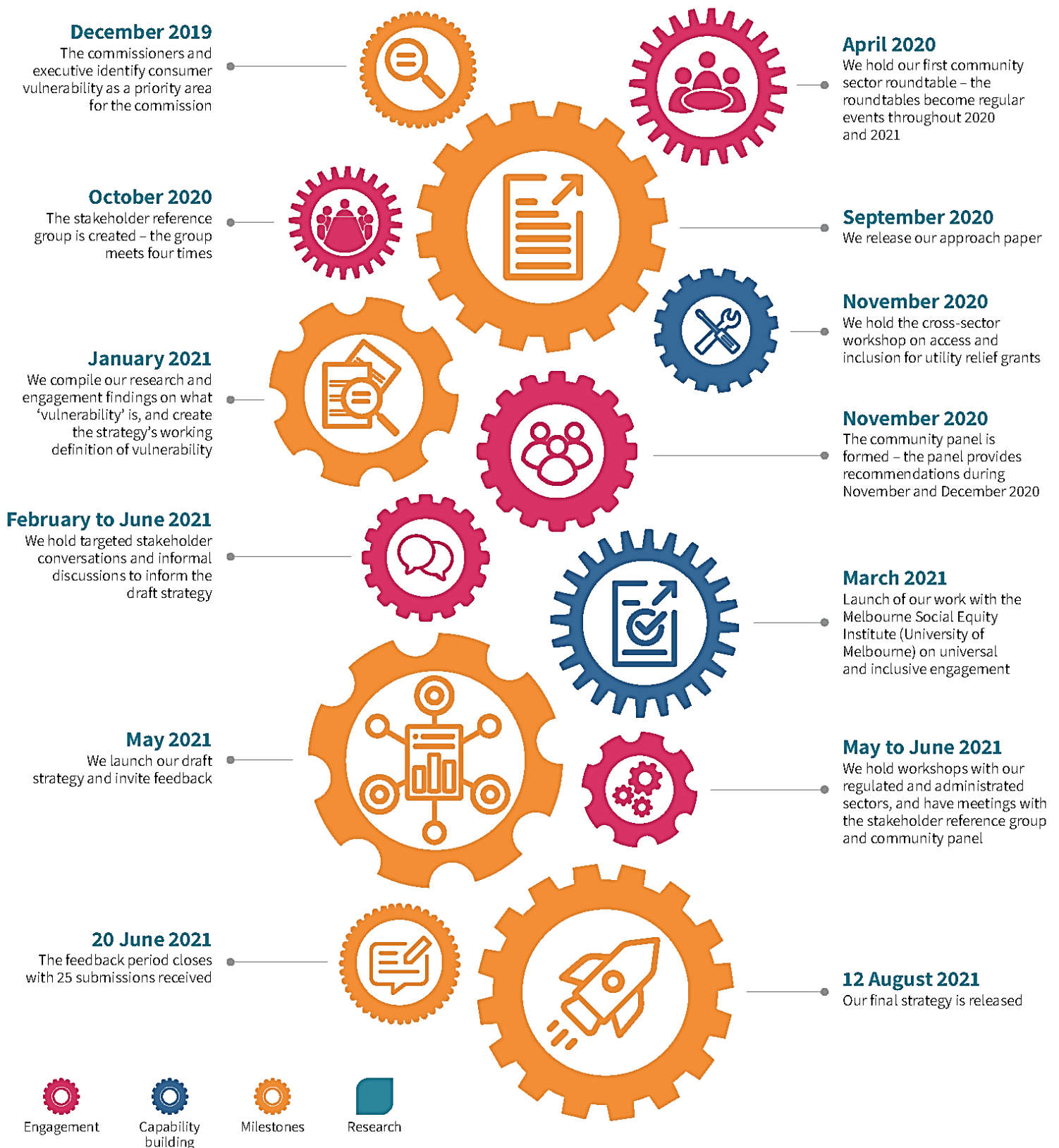
- community expectations of regulators following recent royal commissions²⁵
- our current role in responding to consumer vulnerability and how we responded to the coronavirus pandemic
- the work of the Victorian Government to support consumers in our regulated sectors
- an increasing focus on consumer vulnerability by regulators in the UK and Australia.²⁶

Our aim in using this approach was to build a comprehensive understanding of consumer vulnerability in a changing world. Figure 2 presents the activities undertaken as part of the research, engagement and capability building program. Further information on these activities can be found in appendix 3.

²⁵ Royal Commission into Family Violence (Victoria) 2015; Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (Australia) 2019.

²⁶ Essential Services Commission, 'Building a strategy to address consumer vulnerability: approach paper', September 2020.

Figure 2: developing our strategy



Research released as part of Getting to fair

Interviews with community workers (Consumer Policy Research Centre, quarterly during 2020–2021)

Guidance on universal engagement (University of Melbourne, February 2021)

Report on the deliberative community panel (Mendleson Communication, May 2021)

Understanding emerging and evolving consumer vulnerability in the coronavirus economy (ACIL Allen Consulting, July 2021)

What we heard in consultation on the draft strategy

Stakeholder feedback on the draft strategy

Following the release of the draft strategy in May 2021, stakeholders provided feedback through written submissions, online workshops and meetings with commission staff. We received 25 submissions and our online forums were attended by over 200 stakeholders from our regulated sectors, community sector and state government.

We have considered all the views raised during this consultation and made some changes to the final decision paper. A summary of the changes we have made in response to this feedback are discussed below. Other stakeholder feedback is referred to in the relevant sections of this document.

Overall stakeholders were supportive of the aims of the strategy and were largely supportive of the proposed actions.²⁷

The key changes we have made in response to stakeholder feedback are:

- **We refined the definition of vulnerability** to reflect stakeholder feedback (see ‘What we mean by vulnerability’ on page 8).
- **Consolidated the eight goals** into three strategic objectives which are underpinned by commission capability development (see section: ‘Our strategic framework: goals, objectives and actions’ on page 12).
- **Consolidated the 34 actions into 10** to better reflect how the actions will contribute to the overall goal of the strategy. This approach also highlights opportunities for sharing and learning between sectors (see section ‘Our strategic framework: goals, objectives and actions’ on page 12). The feedback from the online workshops and targeted stakeholder conversations informed our decision to consolidate the actions.
- **The measures of success have been held from the final strategy.** We heard that the proposed measures of success for the actions focused on process or milestones and that further work was required to make these a meaningful measure of the strategy’s

²⁷ Many stakeholders were supportive of the overall strategy and actions, including: Meridian Energy 2021, *Submission*, Salvation Army 2021, *Submission*, WestJustice 2021, *Submission*, Citpower, PowerCor and United Energy 2021, *Submission*, Origin Energy 2021, *Submission*, Simply Energy 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*, Telstra 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Alinta Energy 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*, Brotherhood of St Laurence 2021, *Submission*, Good Shepherd 2021, *Submission*.

success.²⁸ As a result of this feedback, we have held the measures of success out of the final strategy. This will allow us to develop these further as part of the strategy's monitoring and evaluation framework. For more information see 'Measuring success' on page 23.

Feedback on consultation process to develop the draft strategy

We received some feedback about the consultation process to develop the draft strategy. Some industry stakeholders raised concerns with the process, noting their perception that the strategy was developed with minimal stakeholder participation and a reliance on anecdotal evidence.²⁹ Some community sector stakeholders expressed support for the process, acknowledging the considered and constructive process undertaken to develop the strategy.³⁰

We are committed to ongoing engagement with our stakeholders as we implement this strategy. We will continue to engage with regulated and administered businesses, consumers, and community advocates while this strategy is implemented. This will take the form of informal and formal consultation processes, events and actively building partnerships with government, businesses, and the community sector.

Feedback on specific actions

We received some feedback on individual actions that largely related to how the action might be delivered, rather than suggesting changes to the action itself. This information will be used to inform the scoping and implementation of these actions.

Feedback on the review of the payment difficulty framework

We received quite a lot of feedback on the action to review the effectiveness of the payment difficulty framework.³¹ No changes were made to this action. We acknowledge the strong interest many of our stakeholders have for this action. We intend to continue our

²⁸ Australian Energy Council 2021, *Submission*, Origin Energy 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Alinta Energy 2021, *Submission*.

²⁹ AGL 2021, *Submission*, Tango Energy 2021, *Submission*, Energy Australia 2021, *Submission*, Australian Energy Council 2021, *Submission*, Simply Energy 2021, *Submission*.

³⁰ Uniting 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*.

³¹ Meridian Energy 2021, *Submission*, Salvation Army 2021, *Submission*, Red Energy & Lumo Energy 2021, *Submission*, Uniting 2021, *Submission*, Brotherhood of St Laurence 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*, Simply Energy 2021, *Submission*, Alinta Energy 2021, *Submission*, Victorian Council of Social Services 2021, *Submission*, Australian Energy Council 2021, *Submission*.

engagement with stakeholders as part of the payment difficulty review. The feedback will be used to inform the scoping and implementation of the payment difficulty framework review.

How consultation and research has shaped our strategy

The experience of vulnerability is unique to each person. Our research and engagement program identified eight key experience themes, providing our strategy focus. These themes were then further developed into the three objectives.

Identifying and consolidating the problem: understanding the changing nature of consumer vulnerability

Through our program of research and engagement (appendix 3), we aimed to develop a comprehensive understanding of consumer vulnerability against an uncertain global and local environment, while keeping longer-term and ongoing challenges within scope. We heard that consumer vulnerability is a dynamic and individual experience, and we developed our themes to reflect the complex nature of these personal circumstances.

In identifying these themes, we also took into consideration recommendations provided to us through key pieces of research and engagement, such as our deliberative community panel, stakeholder reference group, community sector roundtables, and meetings with stakeholders across our regulated and administered sectors.

Theme one: Consumers require appropriate, consistent and accessible communications

The importance of appropriate, consistent and accessible communication was highlighted in our research as vital for consumers to access and engage with essential services. We heard some consumers received messages that were unclear, confusing or actively contradicted other information. This experience creates a significant barrier to consumer engagement, understanding and capacity to participate.

This theme will be addressed with the delivery of objective two: services we regulate are more responsive, inclusive and accessible.

Regulators can ensure businesses provide consistent and easily accessible communications

We identified that communication from businesses could be inconsistent and inaccessible. Some consumers were unable to decipher the different communications they received from government, regulators and businesses.

For instance, energy retailer websites were noted by our community sector roundtable as a cause of conflicting messaging, with some using different language to government organisations (e.g., specifying ‘case-by-case’ assistance rather than ‘tailored assistance’).³²

Our stakeholders noted that during disaster events, communication in easy-to-access formats is vital to supporting consumer resilience. During times of acute crisis, ‘a lack of timely, clear and consistent communications [can] also be[come] a barrier to decision-making and responding’.³³

At the peak of the coronavirus lockdown in Victoria in 2020, many community sector representatives were concerned about inconsistent outcomes for consumers seeking coronavirus assistance.³⁴

Lack of awareness of where to get information

A recurring theme was consumers facing barriers to accessing important information because they were not aware of where it can be found.³⁵

During a meeting of our community sector roundtable, we heard that 78 per cent of consumers from a single energy retailer were uncertain as to whether they could contact their retailer to seek assistance.³⁶ For many experiencing vulnerability for the first time, navigating the communications and hardship/payment difficulty support systems becomes an impossible task. This is made harder for consumers who have limited English skills.³⁷

Communicating with diversity in mind: meeting the cultural and language needs of all consumers

We heard that currently the diverse needs of Victorian consumers – their language and cultural needs – are often not being met by businesses or regulators. For those experiencing vulnerability, language barriers can often cause or exacerbate harm, excluding consumers from seeking support. For instance, it was noted in one of our cross-sector workshops that

³² Community sector roundtable, Essential Services Commission, held online, 30 April 2020.

³³ Thriving Communities Partnership, ‘Disaster planning and recover collaborative research project, June 2020, p55.

³⁴ Community sector roundtable, Essential Services Commission, held online, 22 October 2020.

³⁵ Thriving Communities Partnership, ‘Disaster planning and recover collaborative research project, June 2020, p30.

³⁶ Community sector roundtable, Essential Services Commission, held online, 16 July 2020.

³⁷ Cross sector workshop, Essential Services Commission, held online, 29 March 2020.

awareness of the Utility Relief Grant Scheme remains low among those whose first language is not English.

Our stakeholders told us that meeting culturally specific needs is key to providing appropriate communications to consumers – particularly in relation to support. The Energy and Water Ombudsman (Victoria) suggests that ‘consideration should be given to appointing dedicated staff to provide culturally safe assistance to consumers from cultural groups that are currently poorly served by the [payment difficulty framework]’.³⁸

The digital divide is leaving some consumers behind

While digital and online services can improve accessibility for consumers, for some, they can cause additional barriers. Not all Victorians have access to digital platforms or devices, and an over-reliance on digital mediums risks leaving some consumers in the dark. One in five Australians do not have a computer at home, and many consumers rely on their phones and mobile data to access the internet, thus increasing their digital costs.³⁹ Some community members (particularly older members) may be completely excluded from accessing or participating in online communications.⁴⁰

Thriving Communities Partnership also found that while social media does play an important role in circulating information, consumers often do not trust it as a source – but rather a channel that ‘circulate[s] false information and arouse[s] public fear’.⁴¹

We are encouraging inclusive communication

Across much of our research and engagement, we heard the reason consumers are often reluctant to engage with their essential service providers is that the communication is difficult to understand. Our community panel made two recommendations towards our role in enhancing communication across sectors:

[The commission] must work with providers to ensure bills, forms and communications are understandable, inclusive and accessible for all Victorian consumers and are

³⁸ Energy and Water Ombudsman, ‘Missing the Mark: EWOV insights on the impact of the payment difficulty framework’, December 2020, p27.

³⁹ Community sector roundtable, Essential Services Commission, held online, 22 October 2020.

⁴⁰ Ibid.

⁴¹ Thriving Communities Partnership, ‘Disaster planning and recover collaborative research project, June 2020, p30.

tested with a diverse group of people experiencing hardship. Methods of communication must be driven by the consumers, not the provider.⁴²

[The commission] must improve customer communication... to ensure better outcomes for those facing hardship, and regularly monitor and apply penalties for poor performance in this area.⁴³

We acknowledge operational capacities of businesses to deliver accessible communication – for instance, it may not be possible to provide communications in multiple languages and formats. But we consider that it is important to explore a variety of communication mechanisms and formats to improve accessibility overall.

We know that to encourage better practice communications, we must lead the way. In our guidance paper on universal and inclusive engagement, the University of Melbourne’s Social Equity Institute recommends that as a regulator, we:

[p]ublish all information in all community languages and multiple accessible formats, including plain language, large print, Easy English and easy-read, audio and video. Consult existing guidance on making information accessible, and engage experts where needed (for example, to develop Easy English versions).⁴⁴

We are committed to improving the accessibility of our own communication, not only for consumers, but for our stakeholders across government, industry and the community sector that rely on information provided by us.

Stakeholder feedback on the draft strategy

We received feedback in submissions on the draft strategy that related to accessible communication – by the commission, by retailers and by government. We heard about the importance of using a variety of channels to communicate, and not solely relying on digital communications.⁴⁵ We heard it is important to take a consistent approach to messaging

⁴² Deliberative community panel, recommendation 1, December 2020.

⁴³ Deliberative community panel, recommendation 3, December 2020.

⁴⁴ Essential Services Commission and the University of Melbourne’s Social Equity Institute, Sensitive and appropriate engagement with consumers experiencing vulnerability, March 2021, p 12.

⁴⁵ Australian Energy Council 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*.

across different communication tools, that language should be simple and accessible, and ways to communicate beyond written communication.⁴⁶

One submission from an energy retailer raised their challenge of using simple and clear language when providing large amounts of information and assistance to customers while also ensuring compliance.⁴⁷

Submissions to the draft strategy identified the importance of outreach and energy literacy programs to increase awareness of the supports available.⁴⁸ One submission focused on the need to increase awareness for consumers about how to progress complaints.⁴⁹

Several actions relate directly to communication. The information received through submissions has contributed to our understanding of accessible communication and will be used to inform the scoping and implementation of relevant actions.

Theme two: Consumer engagement needs to be universal and inclusive, leading to more accessible services

One of the key objectives of our approach to developing a consumer vulnerability strategy is to bring the voices of consumers closer to our regulatory work.

We heard that there are currently many challenges to the way consumers are being consulted in the design and delivery of the systems they use to access essential services.

Addressing this experience of vulnerability is a key part in the delivery of objective two: services we regulate are more responsive, inclusive and accessible.

Consumers engage in different ways and their needs can change quickly

Our stakeholder reference group highlighted that people from different cultural backgrounds may have a mixed understanding of the relationship between consumers and regulated businesses in the Australian environment.⁵⁰

⁴⁶ AMES Australia 2021, *Submission*, Consumer Action Law Centre 2021, *Submission*.

⁴⁷ Origin Energy 2021, *Submission*.

⁴⁸ Consumer Policy Research Centre 2021, *Submission*, AMES 2021, *Submission*.

⁴⁹ Victorian Pride Lobby 2021, *Submission*.

⁵⁰ Stakeholder reference group, Essential Services Commission, held online, 29 October 2020.

The Energy and Water Ombudsman discussed the general ways businesses can prepare for consumers who may be experiencing vulnerability, including staff training, communication tone, and proactively telling customers of entitlements.⁵¹

Similarly, people experiencing vulnerability will engage with essential services in ways that reflect their individual circumstances, particularly at times of acute stress. Thriving Communities Partnership highlighted consumers can experience disasters differently – for example people on life support mechanisms will be highly concerned about their access to energy during events where they may be isolated from support (e.g., a flood or bushfire).⁵²

Our community panel told us that consumers living in regional and remote areas experience challenges in their interactions with businesses. They may have intermittent access to the internet, which reduces their capacity to engage with online-only communications platforms.

We need to understand and build connections with the communities we serve

At our community roundtable we heard that when information was distributed through local community groups or agencies, particularly in relevant languages, there was a much higher take up of support.⁵³

Our cross-sector workshop identified that some businesses are building connections with new and emerging communities through council groups, community leaders and community organisations. Through these relationships they are improving awareness of the support available for consumers and have seen a higher level of engagement from these communities. This has benefits for both the business and the consumer, reducing long-term debt and improving access to available support.

In its deliberations, our community panel was clear that we need to hear directly from consumers to inform our work. The panel recommended ongoing mechanisms for engagement with consumers to ensure that our work reflects the values and experiences of people in the Victorian community.

⁵¹ Energy and Water Ombudsman, 'EWOV's affordability report', March 2020, p18.

⁵² Thriving Communities Partnership, 'Disaster planning and recover collaborative research project, June 2020, p11.

⁵³ Community sector roundtable, Essential Services Commission, held online, 9 April 2020.

We are committed to universal and inclusive engagement

In its guidance on universal and inclusive engagement, the University of Melbourne's Social Equity Institute identifies that regulators are becoming increasingly aware that standard approaches to engagement may not be designed to capture the full diversity of consumer perspectives, particularly in times of widespread health or economic crisis.⁵⁴ Its guidance highlights that if engagement is not designed sensitively and appropriately, the views of some consumers will not be considered. This has the potential to exacerbate existing vulnerabilities and create unintended negative consequences.

The University of Melbourne's Social Equity Institute recommends that engagement be 'universal' and 'inclusive', which means that it is:

open to everyone in the Victorian community and can be adapted to the perspectives and requirements of consumers in any circumstances, including circumstances of vulnerability.⁵⁵

In its report the Consumer Policy Research Centre says taking a consumer-centric approach to designing policy and markets will drive inclusive growth.⁵⁶ This will ensure that all consumers are given the opportunity to receive the best possible outcomes by integrating principles of equity from the outset.

Our community panel also emphasised the importance of universal engagement, with their fifth recommendation calling for us to:

[s]upport consumers to be able to engage with suppliers by having standardised information, offers and contracts provided by all suppliers so that offers can be easily compared.⁵⁷

We are committed to continuing to provide universal and inclusive engagement activities across our regulatory functions, and to leading better practices in this space.

⁵⁴Essential Services Commission and the University of Melbourne's Social Equity Institute, 'Sensitive and appropriate engagement with consumers experiencing vulnerability', March 2021, p51.

⁵⁵ Essential Services Commission and the University of Melbourne's Social Equity Institute, 'Universal engagement with consumers experiencing vulnerability: a pathway for action', March 2021, p.3.

⁵⁶ Consumer Policy Research Centre, 'COVID-19 and Consumers: from crisis to recovery', June 2020, p8.

⁵⁷ Deliberative community panel, recommendation 5, December 2020.

Theme three: Consumer trust can be improved, to increase consumer empowerment and help to make choices or seek support

We heard that a significant barrier to consumers engaging with providers of essential services – including to seeking support when they need it – is a lack of trust. Our stakeholders told us that consumers do not trust businesses to act in their best interests, or to provide the correct information.

We aim to improve consumer trust in essential services through the delivery of objective one: consumers experiencing vulnerability are supported to better understand and exercise their rights and can influence our work

We heard businesses could do more to support consumer engagement in markets

Business behaviour can have a significant influence on market participation for consumers. Through interviews with community workers, the Consumer Policy Research Centre reported that in the energy market, complexity coupled with inconsistent support from retailers eroded consumer trust and disempowered consumers from self-advocating.⁵⁸ One community worker told the Consumer Policy Research Centre:

[consumers] don't trust the utility company, there's a real distrust there... there's no layman term brochures or information out there to explain this to the vulnerable customer.

Other barriers to engagement included call centre wait times, poor and unhelpful service, often delivered through offshore call centres. Consumers with these experiences had a lower level of trust in their retailers and were more reluctant to attempt to engage again.⁵⁹

Attendees at our community sector roundtables also noted an ongoing lack of consumer understanding about entitlements. At our cross-sector workshop on understanding access to barriers to support for consumers, participants noted that this lack of understanding is exacerbated by many businesses failing to communicate and personalise assistance. This in turn leads consumers to feel unsupported, and ultimately lose trust in their businesses.

⁵⁸ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p18.

⁵⁹ Consumer Policy Research Centre, 'COVID-19 and Consumers: from crisis to recovery', June 2020, p4.

Consumers believe that regulators do not apply appropriate penalties

We heard that more could be done in monitoring compliance with communication and engagement obligations of businesses. When consumers are not aware that penalties are applied to businesses in breach of their obligations, perceived lack of consequences erodes trust in the market overall.

In recommendations seven and eight, our community panel suggested that we take a course of action, including developing ‘minimum standards to ensure providers respond in an appropriate way when dealing with people from diverse cultures, background and needs.’ The panel also recommended monitoring of these standards to ensure compliance, as a means of rebuilding trust in consumers.

One submission raised an alternative viewpoint on what erodes consumer trust, arguing a media strategy that presents the commission as ‘the last line of defence’ for customers against retailers can be damaging to consumer trust: “When governments and regulators tell customers through their press releases and in the media that industry cannot be trusted, it is natural that confidence in the market overall would decline”.⁶⁰

Systems issues may make it difficult for consumers to access their entitlements

Supports that rely on multiple sectors and organisations to be effective can lead to the loss of trust when they fail.

An example that is often raised is the utility relief grant scheme and concessions, which rely on coordination between energy and water utilities, the consumer and state government. Participants at our community sector roundtable highlighted challenges with the application and approval process. As a result of these difficulties, they noted that consumers may be less willing to apply for a grant if they were declined or their application was delayed on an earlier occasion.

We have made some progress in this area. Our analysis in June 2020 highlighted that where providers assist consumers complete and lodge grant applications, more applications were lodged with the relevant government department and more were able to be approved.⁶¹ Based on this analysis, we updated our code so that businesses are now required to support residential consumers in completing utility relief grant application forms. This includes

⁶⁰ Australian Energy Council 2021, *Submission*.

⁶¹ ‘Supporting energy customers through the coronavirus pandemic: Draft decision’, Essential Services Commission, 30 June 2020

submitting forms online on behalf of the consumer where possible and where the consumer consents to this.

We are committed to growing consumer trust to support better outcomes

Energy Consumers Australia reported that in 2020, 38 per cent of households are confident the energy market is working in their interests, up from 21 per cent in December 2017.⁶² This is a promising trend – and maintaining this trajectory is a strong incentive for more to be done to build trust and empower consumers to self-advocate.

We received several recommendations from our stakeholders around our role in building trust, outlined in this section. Further, our community panel recommended:

[the commission] work directly with consumers, and in partnership with organisations, to help educate consumers to become more aware of their rights, entitlements and obligations so that they are confident and empowered to understand, act and navigate the system with positive outcomes.

We are already assessing the energy retail market's competitiveness and efficiency.⁶³ Early reports in this assessment diagnosed low levels of trust as an impediment to a fully effective market, noting 'trust ought to be present for the market to be effective for all consumers, particularly consumers experiencing vulnerability.'⁶⁴ Ongoing investigation will give us a better understanding of the causes of eroding trust in the energy market, and actions we can take as a regulator to rebuild trust and empower consumers.

Theme four: Consumers who need support should be identified quickly and supported effectively

We heard that sometimes there is a failure to identify consumers in need of support in essential services markets. Consequentially, there can be a persistent experience of

⁶² Energy Consumers Australia, 'Energy Consumer Sentiment Survey: December 2020', December 2020, p8.

⁶³ 'Assessing the energy retail market's competitiveness and efficiency', Essential Services Commission, accessed 13 April 2021, <https://www.esc.vic.gov.au/electricity-and-gas/inquiries-studies-and-reviews/electricity-and-gas-retail-markets-review-implementation-2018/assessing-energy-retail-markets-competitiveness-and-efficiency-2019>

⁶⁴ 'Assessing the competitiveness and efficiency of the Victorian energy retail market: framework and approach', Essential Services Commission, 17 December 2019, accessed 13 April 2021, https://www.esc.vic.gov.au/sites/default/files/documents/assessing-the-competitiveness-and-efficiency-of-the-victorian-energy-market-framework-and-approach-paper-20191217_0.pdf, p5.

vulnerability, as consumers are not supported effectively to pay for and access their essential services.

Ensuring effective identification and support underpins objective two: services we regulate are more responsive, inclusive and accessible.

Consumers often don't self-identify as 'vulnerable'

We heard that the reasons consumers often are not identified as needing support are varied.

Consumers often do not see themselves as, or do not want to be labelled as vulnerable, so they do not seek assistance. This becomes a significant barrier to consumers reaching out to their providers when they need support.⁶⁵ Some other consumers may not see their circumstances as 'worthy' of help.⁶⁶ Therefore, relying solely on the consumers to approach their providers to seek assistance may not be the most effective way of identifying consumers who need support.

Businesses sometimes do not engage proactively with consumers

Another reason we heard of consumers who need assistance are not getting it is that they are not identified due to ineffective engagement on the part of their business.⁶⁷ We heard that some consumers contacted their providers for additional assistance, however they did not receive the support they expected because they did not meet the organisation's pre-defined criteria of a 'vulnerable consumer'.

We also heard that some inequalities and experiences such as family violence – which are not always visible or obvious to businesses – can be a source of experiencing vulnerability for a long time without receiving timely assistance.⁶⁸

We are committed to promoting innovative approaches to identifying consumers in need of support

There is some concern with the consequences of ineffective processes for identifying consumers who require support. For instance, we heard that consumers who experienced

⁶⁵ Stakeholder Reference Group 1, Essential Services Commission, held online, 29 October 2020.

⁶⁶ Thriving Communities Partnership, 'Disaster planning and recover collaborative research project', June 2020.

⁶⁷ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021.

⁶⁸ Community sector roundtable, Essential Services Commission, held online, 10 June 2020.

vulnerability for a long time and had not received timely support might end up with unsustainable long-term debt. As it was noted during the pandemic, some consumers had to access their superannuation to pay off their accumulated debt.⁶⁹ The risk associated with long-term debt and not having access to energy at the time of disaster can be a serious concern.⁷⁰

Theme five: Support offered to consumers should be consistent, helping ensure it is appropriate and flexible

Inconsistency is a key issue for consumers navigating essential services markets and accessing their rights and entitlements.

We have heard this inconsistency can happen within a business and between businesses. The consequence of this inconsistency includes the provision of inappropriate support that lacks empathy and does not meet the consumer's needs.

By addressing this theme, we will be ensuring the success of objective two: services we regulate are more responsible, inclusive and accessible.

In energy, we heard that retailers may not be applying the payment difficulty framework correctly

In the energy market, a key opportunity for improving consistency seems to be the application of the payment difficulty framework. Resoundingly, we heard inconsistent application of the framework is an ongoing source of frustration for consumers and their advocates.

We heard that even within the same retailer, responses over the phone can vary greatly and depend on 'luck of the draw'.⁷¹ Through interviews with community workers and financial counsellors, Consumer Policy Research Centre found 'outcomes for consumers who approach their retailer for assistance and/ or better tariffs appear to depend highly on who you get to speak to'.⁷² Customer support workers have subsequently reported adopting a

⁶⁹ Community sector roundtable, Essential Services Commission, held online, 16 July 2020.

⁷⁰ Thriving Communities Partnership, 'Disaster planning and recover collaborative research project', June 2020.

⁷¹ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p8.

⁷² Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p2.

tactic of hanging up and calling the retailer back until they find someone that can help. One support worker told Consumer Policy Research Centre:

Halfway through the conversation, if they are not helpful, we hang up and call again because we will get someone more helpful... Hang up and we will talk to someone who knows what they are talking about.⁷³

Customer support workers also reported advising clients to use the same strategy when self-advocating. Consumer Policy Research Centre noted that this approach is ‘an inefficient use of consumers and advocates time, and poor retailer responses and misinformation contribute to client disengagement and reluctance to self-advocate to resolve issues and seek better tariffs.’⁷⁴

The application of the payment difficulty framework is also inconsistent across different retailers and tiers of retailers. One customer support worker said that:

I was a little bit disappointed with [Tier 1 retailer]’s resolutions department. They said that the energy Payment Difficulty Framework was discontinued in November last year. I said, ‘who the hell told you that?’. I think it’s an issue of training. Number one, they are not familiar with things, or someone came over from a different department. I think they are not trained. They need to be trained to make sure they are informed of the regulations and frameworks.⁷⁵

Businesses are not always responding to consumers with empathy and understanding

We found that inconsistent responses to consumers are also often coupled with a lack of empathy and understanding by business call centre staff.

Thriving Communities Partnership reported that a lack of trauma informed approaches to support (especially at times of acute crisis) creates significant barriers to accessing support for consumers experiencing a heavy mental load or trauma.⁷⁶ Similarly, the Energy and Water Ombudsman reported that consumers often do not engage or have difficulty engaging

⁷³ Ibid., p9.

⁷⁴ Ibid., p2.

⁷⁵ Ibid., p9.

⁷⁶ Thriving Communities Partnership, ‘Disaster planning and recover collaborative research project’, June 2020.

with businesses precisely because of certain traumatic situations, such as family violence, and subsequently may not receive much needed support with their utilities.⁷⁷

A lack of trauma informed approaches to supporting consumers means that businesses often don't apply the right interventions and tailored responses to assist consumers. Our stakeholder reference group told us that responses to consumers seeking support may be inconsistent, and consumers may not get a response appropriate to their circumstances because staff are not properly trained to understand consumer needs. The group also noted that when businesses quickly escalate matters to debt collectors, consumers are less able to negotiate the support they might need.

Consumer Policy Research Centre's interviews with community workers also found that empathy itself was not enough for a consumer to receive appropriate support. One customer support worker reported that:

'It's one thing to say, "It sounds like you are having a hard time and I am sorry to hear that". That's great, but if you haven't told them they can apply for the Utility Relief Grant then your sympathy is not doing a whole lot, is it?'⁷⁸

We are committed to investigating and mitigating inconsistency

To address the gap between consistency and empathy, Consumer Policy Research Centre suggested improving standards of training and quality control in business call centres to 'minimise inconsistency, and ensure households receive accurate information and appropriate support.'⁷⁹ It also suggested facilitating continuity of care by businesses for households experiencing vulnerability, to help foster both consistency and understanding.

Our payment difficulty framework review is designed to assess and analyse the effectiveness of this reform on energy retailer responses to consumers having trouble paying their bills. This review will examine the concerns raised by our stakeholders around the inconsistency of the application of the payment difficulty framework. Further, our ongoing review of the water customer service codes will continue to review the application of support measures by water providers for consistency and appropriateness. However, we know more

⁷⁷ Energy and Water Ombudsman, 'Missing the Mark: EWOV insights on the impact of the payment difficulty framework', December 2020.

⁷⁸ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p9.

⁷⁹ Consumer Policy Research Centre, 'Consumer experiences following energy market reforms in Victoria' (quarter 2 report), interviews report for the Essential Services Commission, January 2021, p44.

can be done to identify and address inconsistent approaches in our regulated sectors to ensure that consumers receive support that is flexible and appropriate, and have reflected this in our possible actions.

Stakeholder feedback on the draft strategy

Submissions to the draft strategy highlighted the importance of a proactive approach to identifying and supporting consumers at risk of vulnerability through the provision of frontline staff training.⁸⁰ This included recruiting culturally and linguistically diverse staff, cultural awareness training, and considering whether a case management approach is required for consumers experiencing vulnerability.

Theme six: Many First Nations consumers should receive better support and engagement to reduce their rates of disconnection

First Nations consumers were disproportionately at risk of immediate disconnection by their energy retailer.⁸¹ We must improve our current knowledge of the experiences of First Nations consumers in our regulated sectors. Community panel recommendations four and seven further echoed this. Our consultation process further noted that we must consider the ongoing impacts of racism and/or colonisation,⁸² and we could facilitate ‘culturally safe interactions and improve consumer outcomes’ for First Nations communities’.⁸³

Throughout the research and development phases of the draft strategy, we have heard that First Nations consumers encounter specific market barriers that result in higher rates of disconnection and limited opportunities for engagement and support. By giving specific focus to this issue, we aim to build partnerships and lasting relationships to improve outcomes for these consumers.

Traditionally, we have had limited engagement with First Nations consumers. We are committed to ensuring we have a meaningful, coordinated and culturally sensitive approach to engaging with First Nations consumers.

⁸⁰ AMES 2021, *Submission*, Victorian Pride Lobby 2021, *Submission*.

⁸¹ *Ibid.*, p.14.

⁸² Consumer Action Law Centre 2021, *Submission*.

⁸³ AMES 2021, *Submission*.

We acknowledge Aboriginal self-determination as the guiding principle to developing a better understanding of First Nations consumers. This dedication to better addressing this theme and its actions is reflected in all three strategic objectives.

Respectful and inclusive language use

'I am not an Aboriginal, or indeed Indigenous, I am ... [a] First Nation's person. A sovereign person from this country.'
Rosalie Kunoth-Monks.⁸⁴

As part of this draft strategy, we aim to ensure all language is appropriate and respectful. By using the title 'First Nations', we are recognising Aboriginal and Torres Strait Islander people as 'the sovereign people of this land'.⁸⁵ 'First Nations' likewise provides an inclusive term that recognises the different languages, cultures and histories of First Nations Australians,⁸⁶ and is becoming the preferred title by many Aboriginal and Torres Strait Islander peoples.⁸⁷

First Nations consumers face increased rates of disconnection

Rates of disconnections do not affect all Victorians equally. First Nations consumers experience far higher rates of energy disconnection or other credit-related complaints than those who do not identify as Aboriginal and Torres Strait Islander.⁸⁸

The Energy and Water Ombudsman's 2019–20 data showed that 11.5 per cent – or more than 1 in 10 – First Nations consumers were facing immediate disconnection by their energy retailer.⁸⁹ Compared to other consumers, of whom only 3.5 in 100 were facing immediate disconnection. There is significant scope to improve the experience of First Nations

⁸⁴'Aboriginal, Indigenous or First Nations', Common Ground, accessed 2 February 2021, <https://www.commonground.org.au/learn/aboriginal-or-indigenous>

⁸⁵ Ibid.

⁸⁶ Aboriginal, Indigenous or First Nations', Common Ground, accessed 2 February 2021, <https://www.commonground.org.au/learn/aboriginal-or-indigenous>

⁸⁷'Australia's First Peoples', AIATSIS, accessed 3 February 2021, <https://aiatsis.gov.au/explore/australias-first-peoples>; 'Preferences in terminology when referring to Aboriginal and/or Torres Strait Islander peoples', ACTCOSS, accessed 2 February 2021, <https://www.actcoss.org.au/sites/default/files/public/publications/gulanga-good-practice-guide-preferences-terminology-referring-to-aboriginal-torres-strait-islander-peoples.pdf>

⁸⁸ Energy and Water Ombudsman, 'Missing the Mark: EWOV insights on the impact of the payment difficulty framework', December 2020, p13.

⁸⁹ Ibid., p.14.

consumers in the market.⁹⁰ Given disconnections are a ‘measure of last resort’ in the payment difficulty framework, this high rate of disconnections for First Nations consumers also indicates that often the framework’s measures may not be correctly applied for this consumer group.⁹¹

Other common issues facing First Nations consumers included actual disconnection of supply due to bills not paid (eight per cent of consumers), high billing costs (eight per cent), and credit ratings (six per cent).

There is a disconnect between the needs of First Nations consumers and the support and engagement available

It was found that for Aboriginal and Torres Strait Islander communities accessing support and information remains a significant barrier to interacting with the market.

Through our stakeholder reference group, we heard that community services have not been able to go out into the Aboriginal and Torres Strait Islander community and give information during the coronavirus pandemic. This has resulted in a decrease in information and support available to First Nations consumers during an already difficult period and an overall disconnect between the needs arising and the assistance being received.⁹²

The Energy and Water Ombudsman recommends that customised strategies are developed to ensure ‘all consumers receive their entitlements’, with one suggested strategy being that businesses consider employing liaison officers to facilitate ‘culturally safe interactions and improve consumer outcomes’ for First Nations communities.⁹³

Stakeholder feedback on the draft strategy

Submissions to the draft strategy highlighted the need to specifically address the experience of First Nations consumers, including understanding systemic barriers and the disproportionately high levels of energy disconnection experienced by First Nations consumers.⁹⁴ We are committed to developing a better understanding of First Nations Victorians and we acknowledge Aboriginal self-determination as a guiding principle. Our final

⁹⁰ Ibid.

⁹¹ Ibid.

⁹² Stakeholder reference group meeting, Essential Services Commission, held online, 3 December 2020.

⁹³ Energy and Water Ombudsman, ‘Missing the Mark: EWOV insights on the impact of the payment difficulty framework’, December 2020, pg.15.

⁹⁴ Consumer Action Law Centre 2021, *Submission*, WestJustice 2021, *Submission*, VCOSS 2021, *Submission*.

strategy outlines five actions that sit under objective one and three that will work towards achieving this.

We all have a role to play... no matter how far you might feel that your operations are removed from the frontline of working with Traditional Owners, there is always [something] a business can do.”

Cath Brokenborough, Executive Lead First Nations Engagement, Lendlease, 2020 Australian Dialogue on Business and Human Rights⁹⁵

Theme seven: Government, industry and community organisations could coordinate more effectively to address issues across the system

Our approach to designing our draft strategy involved taking a systems-level approach to assessing the challenges facing consumers experiencing vulnerability, and how these challenges impact their capacity to participate in essential services markets.

Overwhelmingly, we heard that more can be done to coordinate across regulators, governments, industry and the community sector to address systems issues that cause consumers to experience barriers to participation.

Notably, our community panel told us that where there is a lack of effective partnerships between government and non-government organisations this can result in systems that are difficult to navigate for consumers. This lack of communication and coordination can also result in inconsistent approaches to consumer support, or a failure to identify issues that require a coordinated response.

Addressing this theme is multi-faceted and will be addressed by the delivery of objectives two and three, as well as supporting our overall capability development.

Ineffective coordination creates barriers to consumers accessing government support in essential services markets

An ongoing theme of our research and engagement was the broad acknowledgement that many consumers face significant barriers to accessing government support programs in relation to essential services. This was highlighted at our cross-sector workshop on

⁹⁵ '2020 Australian Dialogue on Business and Human Rights: summary document', UN Global Compact Network Australia, accessed 16 March 2021, <https://unglobalcompact.org.au/wp-content/uploads/2020/10/2020-Australian-Dialogue-on-Business-and-Human-Rights-Summary-Document-FINAL-SPREADS.pdf>, p.11.

understanding barriers to access and support for consumers, especially in the context of the utility relief grant scheme administered by the Department of Health and Human Services. It was noted that where regulators, government, businesses, and community organisations don't work together or communicate effectively, consumers bear the burden and don't receive support they are eligible for.

Our stakeholder reference group also told us that consumers sometimes do not receive the concessions that they are entitled to. We heard that a lack of coordination between businesses and government often mean some consumers with concessions are not properly identified, and therefore cannot be proactively assisted to access their entitlement.

Community workers told Consumer Policy Research Centre through our interviews that accessing government support can be difficult for their clients, especially as it is often not applied appropriately. They reported that when advocating on behalf of clients, community workers do not always have access to the information they need, suggesting a lack of communication between government, businesses, and the community sector. Often, businesses and organisations may not proactively refer consumers to each other for additional support, and without this referral pathway, many consumers are left without the support from the system that they need to thrive.

The limited capacity of the community sector can lead to difficulties in providing consumers with the support they need when experiencing vulnerability. This creates further barriers to businesses and community organisations gathering the information they need to provide adequate support to consumers.⁹⁶

Ineffective coordination creates barriers to consumers seeking and receiving support from businesses

This ineffective coordination also creates information barriers within businesses, and across essential service sectors. Where there is poor business call centre staff training, coupled with siloed teams, this can mean consumer information is not always effectively used within businesses to provide consumers with the support or appropriate level of care that they require.⁹⁷

⁹⁶ 'Supporting energy customers through the coronavirus pandemic', Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/policylibrary/2020/07/vcoss-submission-to-the-escs-draft-decision-on-supporting-energy-customers-through-the-coronavirus-pandemic/>

⁹⁷ Energy and Water Ombudsman, 'Missing the Mark: EWOV insights on the impact of the payment difficulty framework', December 2020.

Many consumers do not perceive there to be collaboration and coordination across essential services sectors, causing a disconnect in continuity of care between energy and water businesses.⁹⁸

Barriers caused by a lack of systems-based coordination can cause significant harm to consumers

We heard that these systems-based inefficiencies can cause or exacerbate harm to consumers. For instance, insecure work, coupled with payment difficulty and trouble accessing government or retailer support can lead to long term physical and mental health issues for consumers.⁹⁹

For consumers already in arrears, our community sector roundtable told us backlogs in the utility relief grant scheme application system exacerbated payment difficulty. This led to the accumulation of debt, stress on other bills and/or household essentials, and decreased overall wellbeing. Delays in processes for government support, including the utility relief grant and concessions have been reported to have significant emotional impact on consumers already experiencing vulnerability.¹⁰⁰

Participants at our community sector roundtable told us that the community sector is spread thin, making it difficult to support all consumers in a timely and effective way when systems aren't supporting them to participate in essential services markets. Stronger partnerships across sectors can help alleviate much of the harm caused to consumers by strengthening support mechanisms across the system.¹⁰¹

We are committed to facilitating systems improvement

Systems improvement involves many parties working together. We acknowledge that while there are many barriers faced by consumers in our regulated sectors that are outside the scope of our role, many of these barriers intersect with our functions. Where these barriers intersect, we accept that there is a place for us in facilitating dialogue, information sharing

⁹⁸ Consumer Policy Research Centre, 'COVID-19 and consumers: from crisis to recovery', June 2020, p64.

⁹⁹ 'Insecure work creates vulnerability and increases inequality', Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/analysis/2015/12/insecure-work-creates-vulnerability-and-increases-inequality/>

¹⁰⁰ Energy and Water Ombudsman, 'EWOV's affordability report', March 2020, p5.

¹⁰¹ 'COVID-19 and the Victorian community sector', Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/policylibrary/2020/08/vicgov-covid19-response/>

and relationship building across government, other regulators, our regulated sectors, and community organisations.

Through our community sector roundtables in 2020, we identified several of these sorts of issues, the most prominent one being the utility relief grant scheme. In our role as the regulator, we were able to have influence in assisting relevant organisations to address issues arising from the grant processes for consumers by:

- issuing our own rules about how businesses provide customer service in relation to supporting grant applications¹⁰²
- inviting stakeholders representing government, energy and water and consumers to discuss issues surrounding the grant at a better practice workshop in November 2020
- facilitating conversations and information sharing between relevant government agencies and the community sector through our community sector roundtables and other stakeholder meetings.

Our community panel saw a distinct role for the commission in continuing to build relationships across sectors to support systems change, and recommended that the commission:

form active partnerships with relevant government, community and industry entities to take collective responsibility for consumers experiencing hardship. These partnerships will deliver tangible outcomes and systems improvement – delivering affordability, equity and accessibility – which are supported through internal and external accountability.

An example of the importance of partnerships will be in the response to the Victorian Ombudsman investigation into Financial Hardship. Released in May 2021, this investigation report looked at how Victorian local councils can better respond to homeowners in financial hardship with their council rates.¹⁰³ We are committed to working in partnership with stakeholders to support the local government sector.

¹⁰² 'Supporting energy customers through the coronavirus pandemic', Essential Services Commission, accessed 17 March, <https://www.esc.vic.gov.au/electricity-and-gas/inquiries-studies-and-reviews/supporting-energy-customers-through-coronavirus-pandemic-2020>

¹⁰³ Victorian Ombudsman, (2021). *Investigation into how local councils respond to ratepayers in financial hardship*. Accessed 7 July 2021: <https://assets.ombudsman.vic.gov.au/assets/Reports/Parliamentary-Reports/Financial-Hardships/Investigation-into-how-local-councils-respond-to-ratepayers.pdf?mtime=20210513161712>.

We will continue to play an active role in building relationships and bringing stakeholders and decision-makers together to address systems issues in our regulated sectors.

Stakeholder feedback on the draft strategy

During our consultation on the draft strategy, we heard that the social issue of vulnerability requires a broad approach that extends beyond regulation. We heard that the systemic barriers we identified “such as ageing, mental health, isolation, disability and language barriers are a shared responsibility between government, industry, and the community welfare sector.”¹⁰⁴ We received feedback about opportunities for greater coordination and partnerships to support, coordinate and fund services to consumers experiencing vulnerability.¹⁰⁵ This relates to government departments, industry, the community sector and other regulators.

In response to this feedback, we have elevated partnerships and coordination to sit within the strategy framework as a key commission capability development priority (see partnerships and coordination on page 22).

Theme eight: Sudden, acute and unexpected challenges can have significant impact on consumers in the short, medium and long term

The events of 2020 highlighted the impact unexpected external events can have on consumers. For those who were ‘newly vulnerable’, we heard there are significant barriers to accessing support during emergencies and they may not identify themselves as needing support.¹⁰⁶

The events of 2020 – including the Victorian bushfires and pandemic – brought into stark relief the importance of this work, and the impact of unexpected external events on consumers. Even though consumers face challenges through emergencies, they are often not treated as critical to economic recovery.¹⁰⁷ We consider it critical to address the resilience of our regulated sectors through emergencies, and how consumers can be best supported through them and through recovery periods.

¹⁰⁴ Australian Energy Council 2021, *Submission*.

¹⁰⁵ AGL 2021, *Submission*, Meridian Energy 2021, *Submission*, Energy Australia 2021, *Submission*, Australian Energy Council 2021, *Submission*, Origin Energy 2021, *Submission*, Red Energy & Lumo Energy 2021, *Submission*, Simply Energy 2021, *Submission*, Water Services Association of Australia and VicWater 2021, *Submission*, Consumer Policy Research Centre 2021, *Submission*.

¹⁰⁶ Community sector roundtable, Essential Services Commission, held online, 9 April 2020.

¹⁰⁷ Consumer Policy Research Centre, ‘COVID-19 and consumers: from crisis to recovery’, June 2020, p67.

This theme further identified for the commission the need to be responsive in unexpected events. Objective three (the commission is more responsive, inclusive and accessible) is intended to support this.

External events can create or exacerbate barriers for consumers

Emergency situations can quickly throw a consumer's life into deep uncertainty. Different consumers experience challenges through emergencies in different ways. Some may experience vulnerability for the first time, and others may find their existing barriers to market participation are exacerbated.

Overwhelmingly, our stakeholders agreed that some people experienced vulnerability more than others through 2020 and are likely to experience an exacerbation of vulnerability through emergencies.

Our stakeholder reference group and participants at our cross-sector workshops told us these groups include renters, young people, people in insecure or casual employment, international students, and new migrants. The pandemic also disproportionately affected those who 'are already experiencing disadvantage, who may not have access to the tools, resources and supports to know about, understand, prepare or comply with public health directives'.¹⁰⁸

Our cross-sector workshops also highlighted that for consumers reliant on face-to-face interactions to communicate, accessing support through 2020 was challenging. Consumers reliant on physical supports, including couch surfing and face-to-face meetings with community workers, were at a distinct disadvantage throughout lockdown periods during the height of the pandemic.¹⁰⁹ The pandemic also highlighted challenges around digital literacy. Our stakeholder reference group told us that for people with limited digital literacy or access to online tools at home, there were significant barriers to accessing support.

During pandemic-related lockdowns in 2020, Victorian households also saw an increase in service usage costs.¹¹⁰ For those unable to work from home and in insecure employment, the gap between usage and capacity to pay widened. This, coupled with the stress and

¹⁰⁸ 'Insecure work creates vulnerability and increases inequality', Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/analysis/2015/12/insecure-work-creates-vulnerability-and-increases-inequality/>

¹⁰⁹ 'COVID-19 and the Victorian community sector', Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/policylibrary/2020/08/vicgov-covid19-response/>

¹¹⁰ Ibid.

anxiety of the pandemic, meant that for any consumers struggling with the challenges financial stress, remote schooling, isolation and other pressures of the environment, engaging with businesses was not a priority.¹¹¹

Support provided in emergencies is often not enough to help consumers

Since the pandemic began in early 2020, Energy Consumers Australia reported that 15 per cent of consumers said they sought support, with six per cent saying they did not receive useful help, while a further 10 per cent said they expected to seek help from their energy company in the future.¹¹² Despite this, there were no ‘sustained, adaptive and adjustable consumer support measures’ in place to meet consumer need in crisis, with most support offered unsustainable past the immediate emergency.¹¹³

As a result, many consumers drew on their superannuation to pay for essentials through 2020.¹¹⁴ Household debt continued to grow, as consumers accessed credit products to pay for their essential services.¹¹⁵ While the pandemic had many short-term implications for the economic and social wellbeing of consumers, it has also created many long-term challenges that consumers will continue to contend with through the recovery period and after.

We are committed to developing processes to respond with agility to external events at times of acute need

Through the events of 2020, we were able to learn much about the dynamic, uncompromising, and often unexpected nature of the experience of vulnerability. It is impossible for us to go forward without adopting resilient regulatory practices that allow us to both respond quickly to circumstances as they change, but that also help us to influence the design of marketplaces that have sustainable, long term support measures in place to seamlessly assist consumers in periods of acute need.

¹¹¹ ‘Supporting energy customers through the coronavirus pandemic’, Victorian Council of Social Service, accessed 13 April 2021, <https://vcoss.org.au/policylibrary/2020/07/vcoss-submission-to-the-esccs-draft-decision-on-supporting-energy-customers-through-the-coronavirus-pandemic/>

¹¹² Energy Consumers Australia, ‘Energy consumer sentiment survey: December 2020’, December 2020, p9.

¹¹³ Consumer Policy Research Centre, ‘COVID-19 and consumers: from crisis to recovery’, June 2020, p.7

¹¹⁴ Consumer Policy Research Centre, ‘COVID-19 and consumers: from crisis to recovery’, June 2020, p.26.

¹¹⁵ Ibid. p5.

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<https://www.worksafe.vic.gov.au/resources/claims-statistical-report-calendar-year>

Appendix 1: Understanding the context around the term 'vulnerable'

Identifying best practice terminology and communication

To develop our strategy, we implemented a rigorous program of research and engagement that was designed to capture the sentiments of key stakeholders, focusing on the consumer voice.

Overwhelmingly, the message we received across these activities is that 'vulnerability' is a problematic term. Our community panel dedicated one of its eight recommendations to the assertion that:

The term vulnerability needs to be investigated further, there may be more appropriate words to use in different situations.

Acknowledging that 'vulnerability' is a familiar term used by many of our stakeholders and across sectors, we are also aware that for consumers, this language can be alienating and counterintuitive to the outcomes we are seeking to achieve. We agree with the community panel and have used this strategy to identify and model better practice terminology and communication when dealing with consumers.

A strategy that promotes resilience works for consumers and businesses

Our stakeholder reference group suggested that for businesses, the best approach when communicating to consumers is to promote and support 'resilience'.

For businesses, 'resilience' applies equally towards the desired outcomes for consumers as it does to the business itself. The group noted that through the coronavirus pandemic, businesses with resilient systems in place did not face the same level of difficulty or uncertainty in coping with the unfolding external crisis and were able to provide better support to their consumers. This approach to 'resilience' was also noted by Ofgem at the commission's launch event for the vulnerability strategy work program in September 2020.¹¹⁶

¹¹⁶ 'Launch of the vulnerability strategy project', Essential Services Commission, accessed 4 March 2021, <https://www.youtube.com/watch?v=U-aBpiigs1A>.

Using the term 'vulnerable' puts the onus on consumers

In essential services, 'vulnerable consumers' is a commonly used term for describing those consumers who are experiencing some form of difficulty – from payment difficulty to trouble engaging. Research we conducted in partnership with the University of Melbourne's Social Equity Institute found that the term 'vulnerable consumers' implies 'that some people's personal characteristics or failings – rather than a failure of markets, institutions and wider society to ensure that everyone has equal access and equal rights – are the reason for a person's disadvantage.'¹¹⁷

This is problematic as it places the onus squarely on the individual consumer, focusing on 'how people should adapt to make themselves less vulnerable or how regulators and businesses can produce separate or 'special' measures to protect them,' rather than on how the provision of the essential service can evolve to include inclusively designed products and services.¹¹⁸ Ultimately, describing consumers as 'vulnerable' does not account for the role of the market or institutions in creating the barriers which support the conditions of vulnerability in the first place.

Labelling a person 'vulnerable' erodes autonomy

Research published by University of New South Wales suggests that vulnerable is a 'convenient' label but should be avoided as it perpetuates a division between 'ordinary' and 'other' types of consumers.¹¹⁹ It therefore risks diverting attention from what should be a substantive inquiry into the circumstances of consumers at the time of transacting. The research notes that consequently, 'vulnerable consumers' are treated as 'subjects of a benevolent protective scheme rather than holders of rights... and people with individual experiences and expertise who are entitled to full social and economic inclusion'. A suggested approach is to use the phrase 'consumers who require decision-making support' instead.

¹¹⁷ Essential Services Commission and University of Melbourne's Social Equity Institute, 'Sensitive and appropriate engagement with consumer vulnerability', March 2021.

¹¹⁸ Essential Services Commission and University of Melbourne's Social Equity Institute, 'Sensitive and appropriate engagement with consumer vulnerability', March 2021.

¹¹⁹ Yvette Maker, Jeannine Marie Paterson, Anna Arstien-Kerslake, Bernadette McSherry and Lisa Brophy, 'From safety nets to support networks: beyond 'vulnerability' in protection for consumers with cognitive disabilities, UNSW Law Journal, 2018, accessed 4 March 2021, <http://www.unswlawjournal.unsw.edu.au/wp-content/uploads/2018/09/Maker-et-al.pdf>.

Labelling a person 'vulnerable' creates another barrier to access

Our research in partnership with the University of Melbourne's Social Equity Institute also revealed that consumers deemed 'vulnerable' by regulators and businesses 'are unlikely to use the language of 'vulnerability' to describe themselves,' creating a further barrier to those consumers seeking and accessing support.¹²⁰

In a report for the Australian Energy Regulator, Emma O'Neill noted that 'consumer vulnerability' may be a useful shorthand term for regulators, industry participants and consumer advocates, but can be alienating when used directly with consumers. The term can be disempowering and stigmatising, and fail to reflect a person's own identity, strengths, and capabilities.¹²¹

Similarly, our Stakeholder Reference Group, comprising representatives from the Victorian Mental Illness Awareness Council, Consumer Policy Research Centre, IPC Health, WestJustice, Financial Counselling Victoria's Utilities Working Group, Ethnic Communities Council of Victoria, the Victorian Council of Social Services, Women with Disabilities Victoria, Adult Multicultural Education Services, Uniting Kildonan and Consumer Action Law Centre, told us that this language can be alienating for consumers.

The group emphasised that using this one category to describe consumers is generally considered unhelpful. It deters consumers who do not associate themselves as vulnerable from seeking support. The purpose of consumer support frameworks is to ensure consumers know and can access their rights—not to label people. The term 'vulnerability' does not capture the unique circumstances people face, or the dynamic and complex nature of vulnerability.

'Vulnerability' is a dynamic experience

To capture the extent of the fluid nature of vulnerability, we asked our community panel to answer the question, 'What is vulnerability in the context of not being able to access or pay for essential services?'

The panel noted that everyone is affected differently by many intersecting variables, including age, disability, mental health, financial stress, speaking languages other than

¹²⁰ Essential Services Commission and University of Melbourne's Social Equity Institute, 'Sensitive and appropriate engagement with consumer vulnerability', March 2021.

¹²¹ Emma O'Neill, 'Exploring regulatory approaches to consumer vulnerability: a report for the Australian Energy Regulator', Consumer Policy Research Centre, February 2020.

English, having low literacy or digital literacy, family violence, or being a new migrant. The panel also noted that ‘vulnerability’ can be represented by both systemic and short-term crisis, such as bereavement, illness, bushfire, or pandemic. We heard that even these situational or temporary vulnerabilities can have long term impacts for consumers.

The community panel also noted that the causes of vulnerability have deep roots and cannot be easily addressed by one organisation or by one strategy or process. The panel suggested that the commission consider working proactively with organisations and agencies across systems to account for the systemic factors continuing to impact on consumers experiencing vulnerability.

Consumer wellbeing is the ultimate objective

Our stakeholder reference group identified wellbeing as the key outcome for consumers from the development of this strategy. The group also noted that we must focus on giving people the opportunity to have agency, rather than detracting from their autonomy or creating negative connotations. We heard that addressing vulnerability is about ‘rights in action’. This means not just engaging consumers, but achieving an outcome where consumers actively exercise their rights to access essential services, and consequently experience economic and social inclusion and wellbeing.

To explore the notion of ‘wellbeing’ further, we invited our community panel to answer the question, ‘what is wellbeing?’. The group noted that wellbeing included physical and mental wellness, happiness, having one’s basic needs met, being surrounded by helpful and empathetic people, feeling connected, having financial security and being free from stress and anxiety. The panel came up with a definition for wellbeing in terms of access and being able to pay for essential services as follows:

The ability to know and manage your responsibilities in a supportive, convenient, and accessible way so that it does not negatively impact on your physical and mental health. The panel also noted that this definition included consumers having ‘predictability and regularity’ in their financial obligations and ‘the peace of mind of knowing [they] have stability in [their] lives’.¹²²

¹²² Deliberative community panel: final meeting – recommendations, Essential Services Commission, held online, 6 December 2020.

Appendix 2: Terminology used by other regulators

How other regulators are approaching the terminology

Regulators in the United Kingdom have taken the lead in thinking critically about the use of language in relation to consumer vulnerability. To ensure the concept of vulnerability is adequate in supporting consumers, these regulators have taken an inclusive and empowering approach to defining consumer vulnerability that reflects the identity, strength, and capabilities of individuals. The experience of these regulators shows that the terminology used to characterise consumers can influence the effectiveness of regulatory strategy. We explored some of these approaches at length in our [approach paper](#) and have revisited and updated some of these approaches below.

The Financial Conduct Authority uses the terminology ‘vulnerable consumers/customers’ throughout their work to refer to consumers in vulnerable circumstances, recognising that some consumers may not wish to be categorised this way.

Similarly, Ofgem refers to vulnerability, but has made the purposeful shift to using phrases like ‘consumers whose circumstances made them vulnerable’ or ‘consumers experiencing vulnerability’ to acknowledge that vulnerability is not a characteristic but an experience.

The Competition and Markets Authority has recognised that using the term ‘vulnerability’ may be reductive as it does not account for the unique experiences of individuals. The authority emphasises that not all people see themselves (or want to be described) as ‘vulnerable’ based on factors such as mental health, physical disability, age, and low income.

Concurrently, Energy UK, a collective body representing over 100 members of the energy industry in the United Kingdom, held a Commission for Customers in Vulnerable Circumstances in 2018.¹²³ Through this work it received feedback from both experts and consumers. Overwhelmingly, it heard there is an ongoing stigma associated with the term vulnerability, and ‘many customers who are classified by others as “vulnerable” simply don’t see themselves in this way’.¹²⁴ However, noting the prevalence of the use of the term ‘vulnerable’ in industry and regulatory circles, Energy UK made the decision to use the term

¹²³ ‘The commission for customers in vulnerable circumstances: final report’, Commission for customers in vulnerable circumstances, accessed 4 March 2021, <https://www.energy-uk.org.uk/publication.html?task=file.download&id=7709>.

¹²⁴ ‘The commission for customers in vulnerable circumstances: final report’, Commission for customers in vulnerable circumstances, accessed 4 March 2021, <https://www.energy-uk.org.uk/publication.html?task=file.download&id=7709>, p 19.

in the report as it appeared appropriate in context. The Australian Energy Regulator is currently developing a consumer vulnerability strategy to protect vulnerable consumers, while enabling consumers to participate in energy markets. The strategy will also include a definition of vulnerability. As part of this process the Australian Energy Regulator led a series of collaborative workshops, seeking insights from over 100 stakeholder groups about the types of actions the regulator could take forward.

Breakdown of the experiences of other regulators

To ensure the concept of vulnerability is adequate in supporting consumers, it must have an inclusive and empowering definition that reflects individuals own identity, strength and capabilities. Experience by other regulators shows that the terminology adopted by regulators to characterise vulnerable consumers can influence the effectiveness of a strategy. Some of those experiences are presented in the table below.

Source	Reference to vulnerability terminology	Background
Ofgem ¹²⁵	Ofgem suggests when speaking about vulnerability, the terminology ‘customers whose circumstances make them vulnerable’, ‘customer vulnerability’, or ‘customers experiencing vulnerability’ is preferred.	Ofgem recognises the importance of not automatically labelling people as ‘vulnerable’, especially if they do not consider themselves to be so. This does not mean that businesses should not intervene when appropriate to do so, but that they should avoid labelling people as vulnerable in their communications with consumers. Also, intervention, when required, can be subtle or imperceptible and still be effective for a consumer.
Ofwat ¹²⁶	Ofwat shifted from using ‘vulnerable customer’ to ‘customers in vulnerable circumstances’ in 2018 in response to the findings of a focus group study undertaken by London Economics. It considers that this change highlights the need to see vulnerability as relating to a set of circumstances, which may be transient, without labelling customers.	<p>The evidence gathered from the research indicates that there is a consensus that any customer, given a certain combination of factors, could find themselves in circumstances that make them vulnerable. For instance, one participant said, vulnerability is a ‘state not a trait’, and that we should avoid using the label ‘vulnerable customer’.</p> <p>Other stakeholders stressed that the term ‘vulnerability’ may be a ‘loaded’ one.</p> <p>Therefore, there is a need for businesses to move away from just applying simplistic labels of</p>

¹²⁵ Ofgem, ‘Consumer vulnerability strategy’, 2013.

¹²⁶Ofwat, ‘Vulnerability focus report’, February 2016.

		vulnerability, and to listen to their customers and understand their circumstances.
Financial Conduct Authority (FCA) ¹²⁷	The authority uses the term ‘vulnerable consumer’ and ‘vulnerable customer’ throughout its guidance to refer to natural persons who either are, or may be, in vulnerable circumstances. However, it recognises that in some cases where it is referring to particular characteristics, some consumers may not want the label ‘vulnerable’ applied to them.	<p>‘Vulnerability is a state, not a trait’.¹²⁸</p> <p>One consumer challenge groups representative pointed out is that consumers ought to be allowed to ‘opt out’ of the label of vulnerability, which could be a problematic term.</p> <p>Consumers in vulnerable circumstances may not identify themselves as such, either because of pride, denial, lack of understanding of the situation or because of a lack of trust in institutions.</p>
Australian Energy Regulator (AER) ¹²⁹	Because vulnerability can be triggered by temporary circumstances, it may be more appropriate to use the language of ‘customers in vulnerable circumstances’ rather than ‘vulnerable customers’, to avoid fixing people with labels that are essentialist and do not reflect the changing conditions of their lives.	<p>‘Consumer vulnerability’ may be a useful shorthand term for regulators, industry participants and consumer advocates, but can be alienating, stigmatising and disempowering when used directly with consumers.</p> <p>The group-based approach to vulnerability can be over-inclusive, by labelling an entire group as at risk, when some members of the group may face little risk of detriment. For example, older people have traditionally been categorised as vulnerable consumers in absolute terms, despite varying levels of income and wealth, digital inclusion, social participation, and mental and financial capability amongst this group.</p>

¹²⁷ ‘Guidance for firms on the fair treatment of vulnerable customers’, Financial Conduct Authority, accessed on 13 April 2021, <https://www.fca.org.uk/publications/finalised-guidance/guidance-firms-fair-treatment-vulnerable-customers#:~:text=A%20vulnerable%20customer%20is%20someone,as%20a%20spectrum%20of%20risk>.

¹²⁸Financial Counselling Australia, ‘FCA Occasional paper No. 8: Consumer Vulnerability’, 2015.

¹²⁹Australian Energy Regulator, ‘Exploring regulatory approaches to consumer vulnerability: a report for the Australian Energy Regulator’, 2020.

Competitive Market Authority (CMA)	The authority uses the term “consumers in vulnerable circumstances” in its document, and it recognises that not all individuals with mental health problems, physical disabilities, age, and low income see themselves (or want to be described) as ‘vulnerable’.	The authority points out that the objective in undertaking consumer vulnerability strategy work has not been to label or categorise individual experience in a reductive way.
UK Commission for Customers ¹³⁰	They received feedback that people were uncomfortable with the term, due to the perceived stigma that goes along with it. They note that ‘many customers who are classified by others as “vulnerable” simply don’t see themselves in this way’.	The nature of vulnerability is broad, and few people like to be labelled as “vulnerable”. This makes both self-identification, and identification by a supplier or a third party, complex and difficult. Yet this is critical, if a consumer’s vulnerability is not identified by an energy supplier, it is highly unlikely they will get the help they need. Eight out of ten consumers said they would not tell a company if they were in a potentially vulnerable situation. ¹³¹

Other research

Maker, Y, et al (2018) ¹³²	They suggest convenient labels such as ‘vulnerable’ to identify those in need of protection should be avoided. They recommend using the term ‘consumers who require decision-making support’.	The label perpetuates the undesirable distinction between ordinary and other types of consumers. It therefore risks diverting attention from what should be the substantive inquiry into the circumstances of consumers at the time of transacting. They argue this approach disadvantages both those labelled as vulnerable and those who are not. People with cognitive disabilities designated as ‘vulnerable’ can end up being treated as ‘subjects of a benevolent protective scheme rather than holders of rights, and people with
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¹³⁰ Commission for Customers in Vulnerable Circumstances (2019) The Commission for Customers in Vulnerable Circumstances Final Report, 19. See also Ofwat (February 2016) Vulnerability Focus Report, 20.

¹³¹ Money and Mental Health Policy Institute, ‘Money on your mind’, June 2016.

¹³² Maker, Y. et al., ‘From Safety Nets to Support Networks: Beyond “Vulnerability” in Protection for Consumers with Cognitive Disabilities’ Vol. 41(3), UNSW Law Journal 818, 2018, p.831-833.

individual experiences and expertise who are entitled to full social and economic inclusion.’ This, in turn, risks ignoring the difficulties faced by all other consumers—the ‘average’ or ‘non-vulnerable’ consumers—in their market dealings. They suggest using the term ‘consumers who require decision-making support’.

Centre for Consumers and Essential Services, (2014)¹³³

Labelling some consumers as ‘vulnerable’ also serves to let the companies off the hook by implying that it is only consumers’ circumstances that matter, thereby ignoring the role of the companies.

This research shows that regulators have started to recognise that consumer vulnerability is a more complex, dynamic concept than can be captured in list form. This requires a culture change, the companies need to approach how they treat consumers as a whole, and not view ‘vulnerable consumers’ as somehow separate.

¹³³ Centre for Consumers and Essential Services, ‘Research report for Citizens Advice, Tackling consumer vulnerability: regulators’ powers, actions and strategies’, 2014.

Appendix 3: Research and engagement activities

This appendix summarises the engagement activities we used to seek feedback on the draft strategy. This is followed by a summary of activities we used to develop the draft strategy. For additional information about our engagement approach please see [the Public Engagement Summary](#).

Key engagement activities to seek feedback on the draft strategy

The following engagement activities helped us refine the draft strategy.

Draft strategy launch

The [draft strategy launch](#) on Tuesday 11 May, 2021 was attended by around 130 representatives from the energy, water and banking industries, the community sector and local government. Guest speakers from Victoria's Energy and Water Ombudsman, Consumer Action Law Centre, Australian Energy Council and Yarra Valley Water shared their thoughts on priorities and expectations for the draft strategy. Participants were encouraged to attend upcoming sector workshops and to submit feedback via Engage Victoria.

Sector workshops

Two sector workshops were held to explore the energy and water sector specific proposals in the draft strategy to better support customers who are experiencing vulnerability.

The water sector workshop was held on Monday 24 May 2021 and was attended by 41 representatives from the water sector, community sector and state government. The energy sector workshop was held on Tuesday 15 June 2021 and was attended by 61 representatives from the energy sector, community sector and state government.

Written submissions

Written submissions were sought via Engage Victoria and email. 25 submissions and one comment through the online feedback form were received. As well as asking for general feedback, submitters had the option of addressing the following questions:

- How well does our definition of vulnerability align with contemporary understandings of consumer vulnerability and its causes and impacts?
- Given that 'vulnerability' is widely used and easily recognised by businesses, is the hybrid approach (where we are using our legislative language where needed, but more inclusive language in general) the best approach for the commission to take when communicating with stakeholders?

- Do the themes, goals and actions we have identified and proposed provide an appropriate pathway for the commission to respond to the barriers currently being faced in the market?
- Are there other considerations we should include in our strategy?

The following submissions were received providing feedback on the draft strategy.

Submissions can be [viewed on our website](#).

Date	Organisation
21 June 2021	Australian Gas Infrastructure Group (AGIG)
4 June 2021	AGL Energy
23 June 2021	Alinta Energy
20 June 2021	AMES Australia
20 June 2021	Australian Energy Council
18 June 2021	CitiPower, Powercor and United Energy
18 June 2021	Coliban Water
21 June 2021	Consumer Action Law Centre (CALC)
21 June 2021	Consumer Policy Research Centre (CPRC)
17 June 2021	Economic Abuse Reference Group (EARG)
17 June 2021	Energy Australia
4 June 2021	Meridian Energy and Powershop Australia
20 June 2021	Origin Energy
21 June 2021	Red and Lumo Energy
20 June 2021	Simply Energy
11 June 2021	Tango Energy
8 June 2021	Telstra
4 June 2021	The Salvation Army
20 June 2021	Uniting
18 June 2021	VCOSS
21 June 2021	Victorian Pride Lobby
20 June 2021	West Justice
18 June 2021	WSAA and VicWater

Targeted and informal stakeholder conversations

We met with the community panel (6 May 2021) and the stakeholder reference group (1 June 2021) to seek their feedback on the draft strategy. We held targeted conversations with other stakeholder groups and had some informal discussions with stakeholders who were unable to attend planned consultation activities.

Key engagement activities to inform the draft strategy

The following engagement, research and capability building activities helped us to identify problems and develop key themes for our draft strategy.

Community sector roundtables

In 2020 we [ran seven community sector roundtables](#). These were held regularly to facilitate information sharing and discussion between the commission and the community sector about issues presenting for consumers during the height of Victoria's coronavirus pandemic lockdowns. These roundtables will continue to be held quarterly in 2021 to provide an ongoing dialogue about the evolving situation and its impact on consumers.

Deliberative community panel

In November and December 2020, we held a deliberative community panel with 37 Victorians from a range of geographic areas, ages and cultural backgrounds. The group met over three weekends (and one evening) to consider priority areas for the commission's vulnerability strategy, and to develop a definition of consumer wellbeing.

Consultants Nicola Mendelson and Desley Renton from Mendleson Communications facilitated the community panel process. Commissioners, executives and project staff observed many of the sessions.

The panel delivered the final recommendations to Chairperson Kate Symons and Commissioner Simon Corden at its last session. We invited the panel to provide feedback on the draft strategy in an online workshop on 6 May 2021. The community panel report can be [found on our website](#).

Stakeholder reference group

Our stakeholder reference group includes representatives from mental health organisations, disability organisations, multicultural organisations, financial counsellors and consumer advocacy organisations:

- Victorian Mental Illness Awareness Council
- Consumer Policy Research Centre

- IPC Health
- WestJustice
- Financial Counselling Victoria's Utilities Working Group
- Ethnic Communities Council of Victoria
- Victorian Council of Social Services
- Women with Disabilities Victoria
- Adult Multicultural Education Services
- Uniting Kildonan
- Consumer Action Law Centre.

The group met in October and December 2020 to discuss the vulnerability strategy and provide input to inform the problem definition, particularly in relation to terminology. We invited the stakeholder reference group to provide feedback on the draft strategy in an online workshop on 1 June 2021.

Cross-industry workshops on access and inclusion

On 12 November 2020, we held a cross-sector workshop to discuss the experiences of consumers experiencing vulnerability and barriers to support, especially for the Utility Relief Grant Scheme.

Participants came from across sectors including water, energy, superannuation, banking, community and government to participate in a collaborative and fruitful discussion. The workshop had two sessions:

- understanding the experiences of consumers experiencing vulnerability
- exploring barriers to access and support, especially for utility relief grants.

Webinar on universal and inclusive engagement

On 11 March 2021, we held a webinar for government organisations, regulated businesses and members of the community sector on the launch of the guidance paper on universal and inclusive engagement, written in partnership with the University of Melbourne's Social Equity Institute.

The guidance is a practical tool for universal engagement for regulators, but equally applies to businesses and organisations across sectors. It provides principles and actions to shape engagement practice and create inclusive engagement design. The report can be [found on our website](#).

Key research activities

Interviews with community workers

In 2020, the Consumer Policy Research Centre conducted interviews with community workers through its Energy Simplified program and in partnership with Monash University to gain insights into the experiences of consumers in the energy market. Four quarterly reports were delivered to the commission over one year, with each report building upon the last.

External reports

Key reports we considered in the formulation of our themes included:

- [Consumers and COVID-19: from crisis to recovery](#) – Consumer Policy Research Centre
- [Affordability report](#) – Energy and Water Ombudsman (Victoria)
- [Missing the mark](#) - Energy and Water Ombudsman (Victoria)
- Victorian Council of Social Service reports
 - [Insecure work creates vulnerability and increases inequality](#)
 - [COVID-19 and the Victorian Community Sector](#)
 - [Supporting energy customers through the coronavirus pandemic](#)
- [Disaster planning and recovery research report](#) – Thriving Communities Partnership
- [Energy customer sentiment survey: December 2020](#) – Energy Consumers Australia.

Key capability building activities

Family violence engagement framework

Domestic Violence Victoria advised us on how we engage with survivor advocates and consumers experiencing family violence. The guidance documents it developed provide practical guidance for the commission on better practice engagement with victim survivors.

Domestic Violence Victoria has progressed this project with guidance from the Project Steering Group, featuring commission staff, the University of Melbourne and survivor advocates who are part of the WEAVERs project.

As part of the implementation of Getting to fair, the commission will engage with stakeholders on this advice and how best way to implement the advice across our resulted sectors.

Guidance on universal engagement

The University of Melbourne's Social Equity Institute developed a guide for us on universal engagement to complement our existing engagement frameworks. They proposed 10 principles for universal consumer engagement by essential services regulators, including sensitive and appropriate engagement with consumers experiencing vulnerability. We launched the report they created for us in March 2021. Report can be [found on our website](#).