



## **Ethnic Communities' Council of NSW Inc.**

**221 Cope Street Waterloo NSW 2017**

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### **Submission on the Australian Energy Regulator (AER) Draft Sustainable Payments Plan Framework**

The Ethnic Communities Council of NSW (ECC NSW) welcomes the opportunity to provide input into the AER Draft Sustainable Payments Plan Framework.

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

The ECC NSW thanks the AER for the opportunity to contribute to the discussions on the Sustainable Payments Plan and to comment on the draft plan. The ECC NSW supports the AER in its attempt to provide guidance for retailers in the complex area of assistance to customers experiencing financial difficulties. We would like to add to our contributions from the workshops and address some of the issues presented in the consultation document.

#### **Issue 1: Comments on the proposed principles-based approach and examples**

The principles-based approach would appear to be an appropriate way to provide guidance to retailers in their initial and subsequent interactions with customers experiencing financial difficulty.

We certainly agree that flexibility of approach is a major key, and the inclusion of specific examples of good practice is important. As we indicated in the second workshop, for cultural and practical reasons, it may be appropriate to provide access and referral initially to 1:1 in-language assistance (possibly through Migrant Resource Centres or others) rather than immediate referral to financial counselling services. We are pleased that this has been incorporated into the principles.

#### **Issue 2: Comments on the flow chart and good practice elements and actions**

The Good practice flow chart is an appropriate way to guide the sometimes complex and difficult conversations that are required in these circumstances. The actual formatting could benefit from some tidying up but the guide is fairly comprehensive and well ordered. Actions, when listed, are clear and to the point.

### **Issue 3:       Comments on inactive account customers**

We recognise that in dealing with inactive account customers, some additional costs may be incurred which are not part of the original (and potentially recoverable) debt. It would seem reasonable that some expenditure on recovering unpaid debt would be to the retailers' financial advantage (for example partial or full recovery of debt and some avoided costs of recovery through debt collection processes).

In addition, there could be a more general 'trust and brand' gain for a retailer taking a customer centred approach and continuing to engage, even though the customer may not have an active account, rather than referring immediately to a debt collection agency.

If inactive account customers do become part of the utilisation of the guidelines, it will be most interesting to document and quantify, where possible, any positive effects on the levels of customer trust of a retailer.

### **Issue 4:       Comments on small business customers**

In NSW and Victoria, at least 40% of small to medium enterprises (SMEs) are operated by members of CALD communities, many of whom speak a language other than English as their first or second language.

Research conducted by ECC NSW indicates that there are important differences in the energy market experience of ethno-specific SMEs compared to other businesses. These differences centre around CALD understanding of the energy market in general, communication with retailers, the knowledge of the opportunities for, and capacity to negotiate with, a retailer as well as a lack of appropriate information about energy use and efficiency options.

While we recognise that there are no formal obligations under the NERL or NERR for retailers in this space, these principles provide an excellent framework for guiding retail practice when dealing with small business customers experiencing payment difficulties.

### **Issue 5:       Comments on publishing a list of adopting retailers**

We would support the publication of a list of retailers that have undertaken to adopt the Framework. It could be a consideration for some customers, and may be an important adjunct to retailer branding and trust.

We agree that any retailer that chooses to adopt the Framework is acknowledging that their policies align with those of the Framework, and should have mechanisms in place to ensure that their responses reflect their commitment to the Framework, along with appropriate strategies to remedy any problems or issues with meeting those obligations.

We feel that it would be appropriate for the list to be accommodated on the AER website, and participating retailers given the opportunity to note their commitment to the Framework on their own distributed information to customers.

### **Issue 6:       Comments on other options for implementation**

There remain some issues around retailers who have committed to using the Framework and not fulfilling their obligations. The mechanisms for receiving feedback about retailer performance by the AER would need to be worked through carefully, especially if the AER is not going to respond to individual complaints about retailers. We would strongly support the regular updating of any listing of retailers adopting the Framework as well as the removal of the entries

for any retailer found not to be utilising the Framework in the spirit in which it has been formulated.

Infographics have been found to be a very useful method of imparting (often complex) information in an accessible format to CALD community members. The 'star' system utilised in energy and water efficiency measures is a particularly useful and valued method to indicate the relative efficiency of products and services. An adaption of this technique could be useful on a number of fronts. For example, for indicating feedback about retailer adoption and implementation of the Framework, consumer ease and effectiveness of first and subsequent contact, retailer/consumer satisfaction with the outcomes of engagement to name a few.

#### **Issue 7: Comments on processes for retailers not meeting Framework standards**

We recognise that the Framework will be a voluntary code and that the AER could not require or enforce retailers' adoption and compliance with the Framework. Nevertheless, it is important that retailers voluntarily adopting the Framework not only receive recognition that they have adopted the code but have some accountability to engage legitimately and successfully with the code.

We suggest that it would be appropriate for the AER to raise any issue with a retailer systematically not having processes and practices that were consistent with their adoption of the Framework and to seek information about how this was to be addressed if necessary. In the event the AER was not satisfied with a retailer's response they could be removed from the published list and a requirement that any reference to their adoption of the Framework on their advertised material be removed.

While the AER would not be in a position to enforce or monitor appropriate retailer use of the code, it may be possible for a third party to collect, collate and provide information about retailers' use of the code in some useable form for consumers, possibly along the lines of the 'star' system indicated above. Funding for the provision of such a service and the publication/dissemination of its results to consumers would need to be provided.

#### **Issue 8: Comments on measuring the impact of the Framework**

Information about the impact of the Framework in the first 6 – 12 months of its implementation would be important and valuable. Surveys, forums, interviews and focus groups of retailers and consumer representatives could provide feedback about how useful the Framework has been and its ongoing effectiveness in improving consumer outcomes. Third party collection and aggregation of information and quantitative data about the utilisation and effectiveness of the Framework to retailers and consumers would also inform any future changes and adaptations to the code.

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

Sincerely yours,

Mary Karras



Executive Officer  
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