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Essential Services Commission of Victoria

Submitted online via: <https://engage.vic.gov.au/building-strategy-regulate-consumer-vulnerability-mind>

Submission to consultation on “Regulating with consumer vulnerability in mind”

Tango Energy thanks the Essential Services Commission (ESC) for the opportunity to make this submission in respect of the draft strategy published by the ESC on 6 May 2021 (“Getting to fair – Breaking down barriers to essential services”).

As a retailer backed by our parent company, Pacific Hydro Australia, a developer and operator of renewable energy assets, we are conscious of the social licence and wider macroeconomic environment in which business and industry operate. As Australia and the rest of the world recover from the effects of the COVID-19 pandemic, it is important that issues of social inequity, and the interests of the vulnerable, are addressed in a coordinated manner by different levels of Government in line with wider macroeconomic stimulus and social policies.

The draft strategy contains remarks made relating to retailers’ application of the payment difficulty framework (“PDF”) (p40-42 of the draft strategy) and inconsistent standards being applied. In submissions made to the ESC during consultation on the PDF by several stakeholders^{1,2}, there appears to have been confusion arising from the rushed consultation and the lack of an evidence-based approach in the development of the PDF. It appears that issues of operational detail will be addressed in the foreshadowed review of the framework. Unfortunately, industry representatives were not included in the “Community sector roundtable”, which is referenced in numerous claims of evidence forming the basis of the recommendations made in the draft strategy (for example, in footnotes to the draft strategy 13, 16, 19, 21, 24, 35, 52, 53).

In our view, the confusion and perceived inconsistency in application of the PDF has arisen as a result of the rushed and inadequate consultation during the process of developing the PDF, and we are concerned that a similar path is being taken in developing the draft strategy. Tango Energy is concerned that industry participants, who will be responsible for any implementation, have not been given sufficient time to consider the strategy and potential implications to both the industry and consumers. We consider this approach is likely to lead to further confusion and poor outcomes for all stakeholders involved.

We urge the ESC to consider having a second round of meaningful, in-depth consultation with wider stakeholder groups to ensure that valuable resources are directed to the consideration of the right research questions. We look forward to the ESC’s consideration, and being able to

¹ <https://www.esc.vic.gov.au/sites/default/files/submissions/payment-difficulties-framework-new-draft-decision-submission-australian-energy-council-aec-20170616.pdf>

² <https://www.esc.vic.gov.au/sites/default/files/submissions/payment-difficulties-framework-new-draft-decision-submission-ewov-20170615.pdf>

work together to devise and implement a useful and practical strategy that results in positive outcomes for customers experiencing vulnerability.

If you would like to discuss this submission, please contact me at [REDACTED] or [REDACTED]

Yours sincerely,

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