

Energy Retail Code of Practice

Submission from Dr Jim Crosthwaite, July 2024

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The Issues Paper deserves more thorough consideration than I have been able to give it. Ideally I would have prepared a full submission on behalf of DCAN. Only two questions are addressed, though my responses may also be relevant to others.

Assistance and information on energy efficiency

In the section *Protections for consumers experiencing vulnerability*

11. Should the code of practice introduce more prescriptive obligations about how energy efficiency advice should be delivered? What are the costs and benefits of these changes?

Yes. The benefits greatly outweigh the likely costs. The costs will be small in absolute terms relative to the cost of bad debt and debt recovery that is now incurred by retailers (see slide 19 in the Australian Energy Regulator's [Stakeholder Workshop](#) on *Consumer Vulnerability: A Case for Change* (24th March 2022)).

It is especially important that retailers be involved in offering and helping to organise practical assistance to the low-income households which occupy poorly insulated and draughty dwellings and are responsible for a higher than average gas use (Alan Pears AM pers comm.). Prescriptive obligations are required to dramatically improve energy performance - to reduce energy bills, to reduce gas consumption and to reduce electricity consumption.

Some retailers like AGL are assisting gas customers with electrification, which should be encouraged. Retailers should be required expand their package of assistance to include energy efficiency measures as well.

Advice and support on energy performance of dwellings should be a high priority, separate to advice and support on appliances and consumption patterns (as mentioned on p.33 of the Issues Paper).

Energy advice should be linked to provision of other services that retailers might offer to customers in hardship. Financial counselling where provided should have an emphasis on reducing bills through assisting customers to improve energy efficiency. It is noted that mandatory contributions of retailers to supporting financial counselling services are being considered nationally (AER [Game Changer Report](#) 2023 p.13)

12. Are there other non-prescriptive alternatives to encourage better practice across retailers to connect customers with existing energy efficiency government programs (such as the Victorian Energy Upgrades program)?

ESC is to be applauded for the initiatives so far taken in relation to Home Energy Rating Assessments, the Victorian Energy Upgrades program and other energy efficiency schemes (p.33).

I am concerned that the Issues Paper focuses too much on retailers providing information to customers. While important, evidence is mounting that customers face much deeper problems than lack of information - see the Issues Paper itself (pp.31-35), the [Game Changer report](#) of AER, and reports by social justice organisations like Brotherhood of St Laurence (e.g. its 2023 [submission](#) to the national Electricity and Energy Sector Plan).

I would like to see a statewide or national one-stop shop for trusted advice and support established very soon (as proposed in the 2023 Update to Victorian Gas Substitution Roadmap). ESC should draw on its own evidence base to argue for setting up such a service.