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11 December 2018

Dr Ron Ben-David
Chairperson
Essential Services Commission
Level 37,
2 Lonsdale Street
Melbourne VIC 3000

Submitted via email to: Lucy.Weston@esc.vic.gov.au

Dear Dr Ben-David,

Re: Exploring ways energy retailers can provide family violence assistance that is safe and effective

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to provide feedback to the Essential Services Commission (the Commission) on exploring ways energy retailers can provide family violence assistance that is safe and effective (the discussion paper). Red and Lumo acknowledge the societal impact of family violence and believe that all individuals and businesses have an important role to play in regards to stopping family violence.

Red and Lumo have always put the customer at the centre of our operations as a key principle of our business. We have always aimed to ensure that our customers are treated with decency, empathy and understanding of their circumstances. As part of this, Red and Lumo have in place a strong Privacy Policy with compulsory ongoing training for our people, along with a highly effective hardship policy with our specialist support team based in Australia, to assist customers who are in financial difficulty. Access to this support includes customers who have suffered from family violence.

Assistance measures

Red and Lumo do believe that family violence should be a measure for entry into energy retailer's hardship policies, as recommended in the Royal Commission into Family Violence Final Report (the Report)¹. Our current hardship policy notes that "customers advising of recent events within the household that place them in a vulnerable financial position such as job loss, illness or family crisis" will be accepted into the program. We believe that access to hardship programs should allow for a wider range of customers to be supported rather than just prescriptively requiring staff to look for family violence indicators. We believe that a better process would be to allow for retailers to have flexibility in their approach to this issue.

Energy consumers who are victims of family violence and find themselves in financial difficulty must be able to access adequate support. One way to assist would be to increase the availability of support programs such as the Utility Relief Grant Scheme (URGS) and increase the criteria for application to include family violence with the Department of Health and Human Services.

¹ Royal Commission into Family Violence, Summary and Recommendations, March 2016 p75

The current criteria, as outlined below, do not adequately cover the issue of family violence:

- You have had a substantial increase in utility use
- You have had a recent decrease in income, for example, lost your job
- You have had high unexpected costs for essential items
- The cost of shelter is more than 30% of your household income
- The cost of utility use is more than 10% of your household income.²

We believe that expanding the criteria for application to allow energy consumers who are victims of family violence alone to access this program. Currently, applicants who have experienced family violence may lodge through as a “recent decrease in income” which could lead to instances of being asked for proof. We consider that this could place further burden and be traumatic for those applicants who may have not had income previously or may not have access to financial information making it difficult to apply.

Energy Retail Code

Family violence is a societal problem, therefore we do not support placing requirements into the Energy Retail Code. Placing requirements on energy retailers in the Energy Retail Code pose some concern that this would make the requirements too prescriptive and may also duplicate some of support and processes that are already provided to consumers through existing hardship programs. We also believe that this would conflict with one of the key principles put forward by the Commission in the discussion paper which is, allowing business the flexibility to “develop an informed approach that works for the organisation”,³ and “apply an approach that is tailored to the organisation’s needs”.⁴

Further to this, we also have concerns that incorporating requirements into the Energy Retail Code similar to the requirements that exist in the Water Code have the potential to conflict with the specific payment support that is due to come into effect from 1 January 2019 under the Payment Difficulties Framework. As the new framework is a prescriptive process, the expected requirements of flexible engagement under the Water Code in relation to family violence conflict and pose a confusion for businesses and consumers alike.

Applicability to businesses and their staff

We note that on 6 December 2018, the federal parliament passed amendments to the Fair Work Act 2009 in relation to family and domestic violence leave. This legislative change means that the National Employment Standards will now include an entitlement for employees to take 5 days of unpaid family and domestic violence leave each year.

The Report noted that “workplaces present an opportunity to reach large sections of the population ... workplaces have particular potential to reach and support members of vulnerable or isolated groups, who can have limited access to services and agencies they need”.⁵ The Royal Commission’s findings aim to provide better support for victims of family violence, as do the amendments to the National Employment Standards. As a result, we consider that the Commission could provide a guidance paper on family violence for all the businesses that it regulates, including transport, ports, water, local councils and energy. This

² Department of Health and Human Services, <https://services.dhhs.vic.gov.au/utility-relief-grant-scheme>, as accessed 7 Dec 2018.

³ Essential Services Commission, Providing family violence support: Exploring ways energy retailers can provide family violence assistance that is safe and effective, Oct 2018, p5.

⁴ Essential Services Commission, Providing family violence support: Exploring ways energy retailers can provide family violence assistance that is safe and effective, Oct 2018, p5.

⁵ Royal Commission into Family Violence, Volume VI, Report and Recommendations, March 2016 p72

guidance paper can include effective steps and principles to help the victims of family violence. This is a more appropriate action for the Commission than mandating outcomes in the Energy Retail Code, Gas Distribution Code and Electricity Distribution Code.

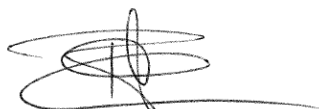
We consider that this flexible and broad approach adopted by the Commission would have an even wider and more impactful take up. Encouraging businesses to not only create a better support framework across Victoria but breakdown a range of pre-existing societal norms and stereotypes towards family violence.

About Red and Lumo

Red and Lumo are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail gas and electricity in Victoria, South Australia, New South Wales and Queensland to approximately 1 million customers.

Should the Commission wish to discuss or have any enquiries regarding this submission, please contact Stephen White, Regulatory Manager on 0404 819 143.

Yours sincerely

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Ramy Soussou

General Manager Regulatory Affairs & Stakeholder Relations

Red Energy Pty Ltd

Lumo Energy (Australia) Pty Ltd