



20 June 2021

Ms Kate Symons
Chairperson
Essential Services Commission
Level 37, 2 Lonsdale St
MELBOURNE VIC 3000

Electronically: lodged via Engage Victoria

Dear Ms Symons,

RE: Getting to fair - Breaking down barriers to essential services

Origin Energy appreciates the opportunity to provide a submission in response to the Essential Services Commission's (ESC) *Getting to fair: breaking down barriers to essential services - strategy draft*.

Origin supports the ESC developing a strategy to better understand customers experiencing vulnerability. It will be a significant challenge to put in place measures to support these customers through consistent and coordinated policy and regulatory settings which ultimately influence how businesses engage with their customers.

We acknowledge that some customers can find dealing with their energy retailer confronting. As the ESC highlights, this occurs for a host of reasons. Consumers should not feel intimidated in dealing with their retailer, regardless of their circumstances. In this regard we agree with the eight themes the ESC has identified. We also agree with the circumstances and events identified by the ESC that act as barriers to consumers participating in essential services.

The effectiveness of a strategy of this nature is underpinned by its ability to clearly diagnose the scope and extent of the problems, identify the cause of the problems, coherent actions to resolve the problems, and objective measures to determine the success of the resolution actions.

While the ESC's strategy identifies numerous issues and challenges facing customers experiencing vulnerability, it does not include a sufficient diagnosis of these problems. As a result, we feel the majority of the 'measures of success' are more like initiatives. Without an understanding of the scale or cause of the problems it is not possible to develop 'measures of success' that can be objectively assessed. For example, if customers find correspondence from their retailer difficult to understand, rather than state the ESC will develop and improve consumer facing information, we think the initiative ought to identify why customers find it difficult. Is it because of the content and detail imposed on retailers by legislation, Government, or regulatory obligations? Or is it due to the choices made by retailers?

In this example, we believe the strategy would be more constructive if the 'initiative' was to identify the specific things consumers have issue with. The measure of success should then be to assess objectively how effective the ESC has been in correcting the cause of the problem, whether it is an amendment to regulation or changing retailer conduct. This guiding principle should apply across all themes and measures of success.

Furthermore, the ESC will need to consider whether it will introduce targeted measures for customers experiencing vulnerability or customer-wide measures; whether one particular approach should be preferred over the other, or whether it can pursue a mix of approaches. The ESC will also need to factor

in distributional impacts of any proposed measures as even attempting a targeted approach may have different impacts on different socio-economic groups.

We also recognise that the ESC's strategy will capture problems where the solutions are not wholly within its control. This highlights the importance for the ESC to recognise the constraints of achieving coordinated outcomes across various policy and regulatory obligations and how it will navigate through this issue.

It is also important that any new reforms are complementary with existing regulatory requirements on industry. Similarly, the ESC will need to be cognisant of the impact of the potential of any interventions to support customers experiencing vulnerability to cause unintended harm on the broader market, competition, and business practices as these may have negative repercussions for people in vulnerable circumstances. We believe achieving regulatory consistency with any new reforms ought to be reflected in the ESC's measure of success.

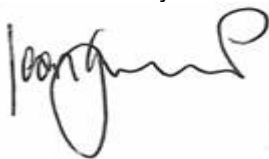
The ESC will also need to consider how it will apply its definition of vulnerable in the current regulatory framework. As the ESC notes, a customer may not present with 'indicators' of broader vulnerability *and* the retailer is reliant on the customer advising of the existence of a barrier that is not broadly one of category or demographic. Individual event-based circumstances such as illness, job loss, or the death of someone close are very difficult for businesses to accurately identify without the customer informing of them. The draft strategy rightly focusses on how the industries that the ESC regulates can perform better for vulnerable consumers but does not discuss how the aspects of vulnerability that are invisible can or should be identified and addressed. As a result, Origin is concerned that the identification of this definition of vulnerability may prove to be difficult to integrate in the context of regulation.

We note that retailers are required to provide large amounts of information and assistance to customers while also ensuring compliance with complex regulatory requirements. We are often challenged finding a way to ensure compliance while using clear and simple language, and we believe that this will only become more difficult with this approach to defining vulnerability.

Like the ESC we are also dedicated to the best interests of our energy customers. We look forward to working with the ESC to progress its strategy and to promote greater support for consumers experiencing vulnerability.

If you have any questions regarding this submission, please contact Courtney Markham in the first instance on [REDACTED] and on [REDACTED].

Yours sincerely



Sean Greenup
Group Manager Regulatory Policy
[REDACTED]