

Media release 1 September 2015  
Essential Services Commission draft report on hardship

The Consumer Utilities Advocacy Centre (CUAC) welcomed the Essential Services Commission's (ESC's) Energy draft report on hardship launched today.

The ESC's new framework adopts a "shared responsibility" approach under which retailers empower customers to self-manage their energy consumption and debt.

"No-one is immune to financial stress. Requiring early assistance for customers just makes sense. Why wait for a debt tsunami to offer genuine help?" said Mercedes Lentz, Executive Officer of t CUAC.

The ESC's draft report identifies that energy markets are not delivering the consumer outcomes that Victorians should expect. The report outlines proposals to offer all consumers a deferred bill payment on request, without requiring proof of financial circumstances or being labelled as "in hardship". CUAC welcomed the ESC's fresh thinking and awaits its engagement with wider consumer advocates on the detail of their proposals.

"There are controversial elements to the ESC's proposal, such as supply capacity control.<sup>1</sup> CUAC will not support the introduction of any measures that don't adequately protect vulnerable consumers," said Ms Lentz.

CUAC cautioned that the focus must remain on addressing the worrying level of disconnections for energy consumers in Victoria. In the five years to 2013/14, total energy disconnections rose from 28,959 to 58,626. Victoria had Australia's highest disconnection rate in 2013/14.

"Reversing the disconnection trend needs to stay front and centre as a key outcome of the ESC's proposed rethinking of hardship. Clear pathways to overcoming difficult financial periods will lead to a more sustainable energy market for consumers and retailers and reduce disconnections," said Ms Lentz.

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<sup>1</sup> The original version of this release incorrectly referred to pre-payment meters. The ESC proposed pre-payment plans. (Updated 02/09/15)