

# NEW RULES TO SUPPORT HOUSEHOLDS WHO HAVE DIFFICULTY WITH THE COST OF THEIR ENERGY BILLS



Version 1.0 current at 1 January 2019.

## INFORMATION FOR COMMUNITY WORKERS

From 1 January 2019, new rules will help Victorians who have difficulty meeting the cost of their energy bills. The new [Payment Difficulty Framework](#) gives clear, consistent rights for consumers to help them manage the payment of their energy bills and sets out new rules that energy companies must follow.

Important parts of the [Payment Difficulty Framework](#) include:

- making disconnection a last resort
- clear guidelines for energy companies so that households get consistent support to help pay their energy bills and lower their energy costs
- giving Victorians flexibility to set up affordable payment plans that suit their needs
- providing more assistance to struggling households, such as information and support on reducing costs and access to better energy rates

The [Payment Difficulty Framework](#) addresses many of the frustrations that people had with the old system. Here is our quick guide to what has changed (click [here](#) for detailed information on the framework).

Previous frustration	The new Payment Difficulty Framework
Out of control debts	Energy companies must contact households when they first get into debt to tell them about: <ul style="list-style-type: none"><li>• their rights</li><li>• options to lower energy costs</li><li>• government and non-government assistance</li><li>• how they can set up an affordable payment plan</li></ul>
Large number of household disconnections	Energy companies cannot disconnect someone while they: <ul style="list-style-type: none"><li>• receive help through the payment difficulty framework<sup>i</sup></li><li>• owe less than \$300.<sup>ii</sup></li><li>• have a complaint open with the energy company's dispute resolution team or the Energy and Water Ombudsman (EWOV)<sup>iii</sup></li></ul> Energy companies must also consider a person's circumstances before disconnection. <sup>iv</sup> For example: <ul style="list-style-type: none"><li>• loss of employment or variable income</li><li>• family violence or relationship breakdown</li><li>• death or illness</li><li>• unexpected expenses or acute hardship</li></ul> Energy companies must keep a record of how they took these circumstances into account when offering assistance to households.

<p>Barriers to affordable payment plans</p>	<p>Energy companies must:</p> <ul style="list-style-type: none"> <li>listen to the account holder and accept what they say about what they can afford to pay<sup>v</sup></li> <li>consider the affordability and sustainability of payment plans</li> <li>accept payment plans that will pay off debt within 2 years<sup>vi</sup> (and accept payment plans longer than 2 years where this is reasonable given the households circumstances<sup>vii</sup>)</li> <li>put the payment of debt on hold for 6 months for households that cannot afford the ongoing cost of their energy bills<sup>viii</sup></li> </ul> <p>Energy companies <u>must not</u>:</p> <ul style="list-style-type: none"> <li>force households to see a financial counsellor or other community service provider<sup>ix</sup></li> <li>force people to complete a 'capacity to pay' assessment or share any information they do not want to provide<sup>x</sup></li> </ul>
<p>Being disconnected for missing one payment plan payment</p>	<p>Energy companies must:</p> <ul style="list-style-type: none"> <li>contact anyone who misses a payment on their payment plan to ask them if the plan can be adjusted to make it work<sup>xi</sup></li> <li>before disconnection, give households a minimum of six months to try and lower their energy costs, while also placing the payment of debt on hold<sup>xii</sup></li> </ul>
<p>Victorians in serious payment difficulty getting overcharged</p>	<p>If a household is in debt and unable to keep up with the cost of their ongoing energy bills, energy companies must offer them energy plans that will help lower their energy costs.<sup>xiii</sup></p>
<p>Inconsistent conduct from energy companies</p>	<p>Energy companies must:</p> <ul style="list-style-type: none"> <li>record all contact with households and keep notes on how they made decisions about the assistance they provide<sup>xiv</sup></li> <li>assist households to understand the full range of energy concessions available<sup>xv</sup></li> <li>work with households to lower the cost of their energy use, to pay for their ongoing energy use and repay their arrears<sup>xvi</sup></li> </ul>

## Still complain to EWOV?

As was the case before, do not hesitate to complain to EWOV if you are helping someone who has an unaffordable payment plan, has been threatened with disconnection or is disconnected!

**EWOV – 1800 500 509 or [ewov.com.au](http://ewov.com.au)**

## What does this all mean for helping someone?

- Where you are helping anyone who is at risk of disconnection or disconnected still make a complaint to EWOV – 1800 500 509.
- Make sure EWOV is assessing whether the wrongful disconnection payment applies (your client may be entitled to \$500 per day for being wrongfully disconnected<sup>xvii</sup>).
- Tell the energy provider what an affordable payment plan looks like for the person you are assisting.
- If an affordable payment plan hasn't been accepted by a retailer then go to EWOV or tell the retailer that they must accept the household's offer and explain why their circumstances means this is a reasonable thing to do.
- If a retailer has told the person you are assisting that they must speak to a financial counsellor or other community service to get retailer assistance, then complain to EWOV and report this conduct to the Essential Services Commission!

## What if I am assisting someone who is denied these rights or treated unfairly?

Report it to the Essential Services Commission! – We are developing and will soon circulate a template form to do this quickly. Complain to EWOV too - 1800 500 509 or [ewov.com.au](http://ewov.com.au)

## Don't forget that these are just minimum standards!

You can negotiate something better for the household you are assisting. This includes arguing for a debt waiver if this is the best solution for the person you are assisting.<sup>xviii</sup>

## Want more detail?

[Here is a link to the guidance note](#) that puts what the regulator expects of retailers on paper. Search Energy Compliance and Enforcement Policy: guidance note – payment difficulty and disconnection to find it on the Essential Services Commission website.

Victorian community workers can also contact our Consumer Action Worker Assistance service:

**03 9602 3326 Monday to Friday 10am-1pm & 2-5pm**  
**[advice@consumeraction.org.au](mailto:advice@consumeraction.org.au)**

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<sup>i</sup> 8.1.14 ESC Guidance note (quoting 116(1)(d))

<sup>ii</sup> 8.1.14 ESC Guidance note

<sup>iii</sup> 8.1.14 ESC Guidance note (quoting 116(1)(b))

<sup>iv</sup> 8.1.11 ESC Guidance note

<sup>v</sup> 4.3.9 ESC Guidance note

<sup>vi</sup> 4.3.9 & 4.8.1 ESC Guidance note

<sup>vii</sup> 4.15.9-10 ESC Guidance note

<sup>viii</sup> 4.8.2-3 ESC Guidance note

<sup>ix</sup> 7.8.3-4 ESC Guidance note

<sup>x</sup> 7.8.1 ESC Guidance note

<sup>xi</sup> 4.15.13-15, 4.17.6 & 4.16.5 ESC Guidance note

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- xii 4.16.4 ESC Guidance note
- xiii Section 4.10 ESC Guidance note
- xiv 8.1.11 ESC Guidance note
- xv 4.8.1 ESC Guidance note (quoting 79 (1)(d))
- xvi Section 4.11 ESC Guidance note
- xvii See: *What if your company doesn't follow the rules:*  
<https://www.ewov.com.au/files/fact-sheet-o8-disconnection-and-restriction-for-debt.pdf>
- xviii 4.12.16 ESC Guidance note