

Tuesday 30 July 2024

Network Outage Review

Department of Energy, Environment and Climate Action

**By website submission:** <https://engage.vic.gov.au/network-outage-review>

To the Network Outage Review Expert Panel,

I am writing on behalf of Financial Counselling Victoria (FCVic) to provide feedback on the interim report of the independent review into the transmission and distribution businesses operational response to the 13 February 2024 Storms.

As the peak body and professional association for financial counsellors in Victoria who collectively assist more than 23,000 Victorians every year, FCVic is uniquely positioned to understand systemic issues experienced by the most vulnerable communities – which in this instance, included those impacted by the 13 February 2024 Storms. Our submission is informed by the expert first-hand experience of our member John Mumford, and further contributions from the members of the FCVic Utilities Working Group.

Firstly, we are supportive of many of the initial recommendations of the Interim Report, which address concerns raised by our Utilities Working Group members. We provide some further commentary below.

### ***Quality of communications***

As mentioned in our member John Mumford's original submission to the Panel, the quality of consumer communications from AusNet was inadequate – delayed, inaccessible and inaccurate. This was the case not only for regional consumers, but also metropolitan consumers who may have experienced shorter outages but similar poor communications which impacted their decisions as a household.

We suggest that there should be requirements for distribution businesses to consider alternative communication methods such as radio updates which can remain operational even in power and telecommunications outages.

### ***Issues with the Prolonged Power Outage Payment (PPOP)***

Our members identified issues with the current setup of the PPOP, mostly in relation to its strict criteria around experience of a total of seven days of power outages within a 14 day period. These criteria meant that clients who 'only' experienced six days of power outages would not be eligible for the \$1,920 payment – despite the financial impact created by six days of outages.

We suggest that a fairer process may be to create a stepped payment model based on a daily rate that increases with duration of the outage, removing any inequities highlighted by our member John Mumford in his submission through the Guaranteed Service Level payments, Major Event Day payments, and the PPOP.

### ***Small business issues***

Our members work with small business owners impacted by the storm event. They noted that there were some small businesses working from a residential property, using a residential power connection who therefore only qualified for the residential PPOP despite their business usage. This was a difference of \$1,007 between residential and business PPOP payments – a significant amount for a small business.

We suggest that with the rise of home-based small businesses, that an alternative may be to remove the requirement for a 'business electricity account' in order to qualify for the business PPOP payment. All other eligibility criteria could still apply.

Financial counsellors also reported that some small business clients provided feedback that it wasn't worth it to them to claim through their insurance for loss of trade, given the high cost of the excess payment and the expected associated costs of insurance premiums. However, these clients were also not eligible for PPOP assistance due to the length of the outage experienced.

We suggest that the stepped payment model recommended above for the PPOP may help to address these cases, ensuring that it applied not only to residential but also to business accounts.

### ***Main street resilience***

We agree with the Interim Report that Main Street resilience is critical in ensuring that local communities can continue to access essential goods and services – supermarkets, butchers, banks, pharmacies, doctors and fuel stations. Our members noted that the installation of temporary generators in Mirboo North was a huge bonus for the local community, but noted that it took four days to happen, and that there were still potential 'live wires' on the ground when this happened.

We suggest that temporary generation should be prioritised in future events (within 24 hours). Further, we suggest that measures should be put in place to ensure prompt deployment of experienced field crews to address live hazards, including crew-sharing protocols between Victoria's five distribution businesses.

### ***Funding disaster resilience and recovery***

Government and industry responses to natural disasters like the February storm event are usually reactive – something happens, and then services scramble to address its impacts. What the system is missing is an acknowledgement of the increasing regularity of disaster events, and the long-tail impacts of climate-related disasters on an individual's financial wellbeing (e.g. short-circuited appliances, food wastage and lost consumables, other property damage with resulting insurance claims). These climate-related disasters are no longer a 'once in a generation' event – they are now occurring with near-quarterly regularity across the state and a consistent and regular response must be made available.

As financial counsellors, we suggest that a state-funded central specialist integrated service should be constantly maintained on preventative community education work, with the ability to be accessed across different regions in response to climate-related disasters as they occur. For instance, this could be a centralised Financial Counselling Disaster Information and Referral Hotline which does proactive education and is available for specialised consultation by community and local financial counsellors post-disaster. We have previously made this recommendation in our [2024-25 State Budget Submission](#).

Finally, we note that we have had conversations with the Essential Services Commission (ESC) following [the 29 April announcement](#) of the \$12m court enforceable undertaking entered into by AusNet due to the crash of their outage tracker webpage, to reinforce the importance of these commitments directing funds specifically to frontline services working with vulnerable consumers in the impacted areas. We are confident that the ESC understands the importance of ensuring that this happens from this point onwards.

Thank you for your consideration of our submission. To discuss this letter further or for any further queries, please contact FCVic's Advocacy Coordinator Amanda Chan on [achan@fcvic.org.au](mailto:achan@fcvic.org.au).

Yours sincerely,



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