



Housing for the Aged Action Group (HAAG) Submission to the Embedded Networks Review (Draft Recommendations Report)

Due: Friday 6th August

Via: <https://engage.vic.gov.au/embedded-networks-review>

Introduction

Housing for the Aged Action Group (HAAG) welcomes the opportunity to comment on the Retirement Villages Act Review Options Paper. This submission is informed by consultation with our Retirement Accommodation Action Group (RAAG), a group of members who live in retirement housing, and our case work experience in delivering the Retirement Housing Advocacy Service.

General Background on Housing for the Aged Action Group

HAAG is member-based, community organisation specialising in the housing needs of older people. The organisation has over 500 members actively campaigning for housing justice. HAAG's service arm is the Home at Last (HAL) service which provides a one-stop shop of housing information, support, advice and advocacy for Victorians over 50 years of age. This assistance is provided through an intake and referral service assisting over 1,000 people per year. We also provide outreach support to re-house older people who are homeless or at risk of homelessness into long term affordable, age-appropriate housing.

Another service arm is the Retirement Housing Advice Service (RHAS), which is funded to support older people living in retirement housing options to access information, support, and advocacy regarding their rights and responsibilities in their housing. Retirement housing types include; independent living units, residential parks, retirement villages, rental villages, caravan parks and other forms of housing. Within the RHAS service arm is RAAG, who are a group of residents living in different forms of retirement housing who campaign for the rights and protections of all retirement housing residents.

HAAG also has an early intervention and prevention approach to homelessness, which involves providing community and professional education to alert people to what places older people at risk of homelessness and pathways to support. Since 2015, we have had a strong

Cultural and Linguistically Diverse focus, and a team of bilingual workers who provide community education to groups of older people from a non-English speaking background. We have recently expanded this program to include peer educators who have a lived experience of homelessness, and we are now starting work with the LGBTI community.

Our member base includes former clients who have been assisted by our Home at Last service into public and community housing and, as such, are valuable sources of information about the impact of social housing regulation on their lived experience as tenants. Our support workers have close working relationships with the offices of housing allocations teams and community housing providers and provide unique insight to inform this submission.

Introduction

Across sectors, much of the legislation and policies that are meant to monitor or regulate the services provided to older people living in retirement housing options do not offer clear or adequate protections or enforcements. Given this, HAAG is in support of the Panel's vision to provide consumers of Embedded Networks (ENs) equal protections, market access and treatment to on-market customers. HAAG is in support of the recommendations regarding:

- The ban on all new ENs.
- Clear regulation and licencing of private networks providing enhanced protections that are consistent and transparent.
- Practical, not just theoretical, capacity to choose a competitive on-market energy provider.
- Mechanisms to mandate private networks supplying renewable and/or clean energy to provide regular and transparent documentation of the benefits and costs to EN customers.
- More investigation into the compliance of metering requirements, and the accuracy of billing information provided to EN customers.
- The disclosure of the installation or presence of an EN so consumers are aware of the benefits and restrictions that exist when moving into a private network.
- Ensuring people in legacy/existing ENs are not stranded and without protections.

Renewable and Clean Energy

HAAG supports the focus on prioritising and promoting renewable, clean and green energies. A concern HAAG has, which has been informed by discussions with RAAG members, is that operators of embedded networks may use this new option as a loophole to continue providing the same unfair embedded network service just under a new 'green washed' name.

One RAAG member, when consulted on this point stated that:

"In situations where solar panels are included as part of the build and any excess or unused electricity reverts to the management grid, this bonus electricity should be measurable and refunded to the resident ... as it currently stands, management enjoy

the extra electricity in their grid and charge the next electricity user for it. I think it's called double dipping".

Another embedded network customer living in a residential park was consulted by HAAG who stated that many residents have solar panels installed on their units. They do not receive any financial benefit from this network, and have been told their free excess power is sold on to other residents, meaning the operator is financially profiting from this arrangement.

A further resident stated that:

"I have lived in a village for 8 years and until recently, had no idea that we were on an embedded system."

HAAG believes that embedded network operators must disclose the ownership, specifications, costs and benefits of the renewable network prior to residents moving in, so it is clear what they are receiving. If renewable embedded networks are to be permitted, then HAAG recommends that providers must be regulated to ensure that any cost benefits and savings be transferred to the residents within the network. Providers must also be mandated to provide regular and transparent information about the renewable, clean or green service and the benefits and costs to the embedded network customers. Some RAAG members consulted stated that in the context of retirement villages, residential parks and caravan park, this information should be provided with the resident contract and/or disclosure statements in a concise and plain manner.

Consumer Protections

HAAG, and all RAAG members consulted via email, agree that all embedded network, and private network customers should have the same protections as all other energy customers. When speaking with RAAG, some members flagged that in the context of retirement villages, residential parks and caravan parks, there is often a clear power imbalance between village and park operators and residents. If there is already a power imbalance, and village and park operators are landlords, caretakers and embedded network providers, and customers have no or inadequate protections, the embedded network can be another tool used to intimidate and take advantage of older residents.

RAAG members stated that:

"The power imbalance is such that most people will not complain or report."

One protection that is vital to residents of retirement villages, residential parks, and caravan parks is a safety net for if legacy networks cannot meet the requirements and must close. There must be a clear process to protect residents who live in retirement villages, residential parks and caravan parks, as all people have a right to reliable provision of essential services. Many older and vulnerable residents may have vital life support equipment or other supports that require consistent electrical supply for health, safety and wellbeing measures. HAAG supports the recommendation that an appropriate and vetted alternative provider should be appointed to ensure continuity of electrical supply.

An additional consideration would be for compensation for impacted customers. In the recent amendments to the Residential Tenancies Act (RTA), there is a provision that asserts that in the event of a caravan park closure if certain requirements are met, impacted residents are eligible to receive compensation as determined by Victorian Civil and Administrative Tribunal (VCAT). HAAG would be in support of compensation being considered as in the event of an electricity disruption, as vulnerable older residents with health and financial barriers may experience further financial disadvantage.

Retail Market Access

HAAG is in support of all people in an embedded network having the practical, not just theoretical capacity to choose their preferred retailer. HAAG supports the option raised by the Panel to mandate a retrofit of metering and/or internal infrastructure upgrades within a certain time period. The suggestions made were for the meters to be reduced at the end of their life, or within a specific time frame. After speaking with the RAAG members who live in embedded networks, they flagged concerns that 5, 10 or 15 years might be too long to wait for some residents to have this option available to them. Depending on their age, ability, health, financial position, and other wellbeing factors, some residents may be trapped in an unfair embedded network until they pass away or have to relocate if their care and health needs change.

One RAAG member stated:

“They (the residents) shouldn’t have to wait that long. Some won’t even last that long.”

The lowest reasonable time period that is deemed realistic and reasonable is supported by HAAG. After hearing the concerns of residents, and their prior experience with non-compliant management, a concern HAAG has is how the time frame retrofit schedule is monitored, regulated and enforced. A member of RAAG reported the difficulty residents had getting their village operator and embedded network provider to sign up to Energy and Water Ombudsman Victoria (EWOV):

“It took over 18 months to get out embedded network provider to sign up; they tried all possible excuses not to comply.”

Given this, HAAG believed the Panel should consider how long the timeframe may truly be if there are embedded network providers who have a history of non-compliance, and how the chosen timeframe will be enforced to ensure that vulnerable residents in embedded networks can experience the agency and choice of energy customers in the broader market in a timely manner.

Bundled Service

HAAG supports the recommendation that bundled services should be regulated. As the Panel discusses, though the Victorian Default Offer (VDO) has instated a price cap on electricity in

an embedded network, embedded network providers may seek to recover costs or lost profits via bundling. HAAG commonly hears from RAAG members and HAAG clients living in retirement villages, residential parks and caravan parks that they often do not know what they are being charged, what the service is providing specifically, and how much the village is purchasing and on-selling the electricity for. This causes stress and mistrust. The key message provided to HAAG by the RAAG members consulted is each service provided should be billed separately, provided regularly, and have all the information (costs, benefits, extras) detailed clearly and transparently.

Compliance and Licensing

HAAG is in support of the Essential Services Commission (ESC) being installed to monitor and take action against embedded networks when necessary. HAAG is also in support of the proposal that embedded network management need to get approval to sell, supply and manage the private networks and must be licenced by ESC. A common concern raised by members of RAAG is that their embedded network operators, who are also the owners or operators of the park or village, cannot be relied upon to comply without government oversight.

RAAG members consulted have stated:

“From my previous experience with our provider they cannot be trusted to comply with EWOV or Government regulations/Acts. The power of making or saving money outweighs all other considerations.”

“Safety nets must be put in place, as there is no incentive for the change.”

“They should definitely NOT be allowed to self-assess! That’s what makes these recalcitrant companies so arrogant, they call the shots and get away with it.”

“They all need to register, and this should be mandatory. Some of these operators cannot be trusted. There needs to be consequences otherwise they will not comply.”

Furthermore, a RAAG member has said that residents pressured management to sign up to be accountable to EWOV and found that, *“even after sign up they treat you and EWOV with contempt.”*

RAAG members regularly state that non-compliant embedded network managers are unlikely to take the initiative to meet an acceptable standard, to provide an adequate service, to prepare transparent disclose statement or billing documents, or to impart clear communication on the existence of an embedded network and the process to opt out of one without regulation, oversight and definite enforcement and consequences. Given the feedback and experiences shared by RAAG and HAAG members and clients, HAAG firmly believes there needs to be a formal compliance and licencing process with a rigorous application, approval and monitoring system in place.

HAAG sees that there is often an inequitable power dynamic between owners and managers of retirement villages, residential parks and caravan parks and their residents. Many residents of these housing types describe to HAAG feeling intimidated, bullied, frustrated, afraid, ignored or condescended to. If the owners and managers of parks and villages are also the operators of embedded networks then there needs to be adequate support and protections available and appropriate complaint, feedback and reporting mechanisms established to ensure older, vulnerable residents feel empowered and confident to speak up without fear of retribution or negative consequences.

A further suggestion is that any regulatory body such as ESC be trained in the power dynamics and nuances of embedded networks in the context of retirement housing types to ensure that the older people who live there are effectively and justly supported, and the embedded network providers are appropriately monitored.

Finally, the RAAG members consulted indicated concern with what the consequences would be for non-compliance with licencing and approval of an embedded network. As seen in the quote from a RAAG member above, without consequences, there will be no genuine compliance.

Consultation

HAAG and RAAG appreciate the commitment the Panel has made to placing the consumer experience at the centre of this review process. As a member-led organisation, the client voice is integral to all the work HAAG does to champion the experiences and housing rights of older people. Members of HAAG and RAAG appreciate the ability to provide written submission, but are also open to face-to-face, online or other forms of verbal consultation or communication on broad issues, or specific questions. The retirement housing sector is unique and complex, and often gets overlooked or bundled in with other forms of housing, so HAAG and RAAG member appreciate being able to share their specific experiences.

Additionally, a way to report complaints, non-compliance, or concerns with provider lack of action or behaviour would be beneficial, especially for older people feeling intimidated in their housing. Finally, it would be useful if the status of any compliance process was available for residents to access, so embedded network providers remain accountable and do not have the power to keep embedded network consumers in the dark.

Additional Feedback

Concessions

HAAG supports the Panel's recommendation that all consumers should have access to concessions at the time of paying their bills. Feedback from HAAG's consultation with RAAG members is that the process to apply for the concessions needs to be accessible for people who may be vulnerable, not digitally literate, without digital devices, or without friends or family close that can assist in lodging any concession forms if they are experiencing difficulty.

HAAG has heard reports of older residents of retirement villages knowing they are eligible for concessions or rebate but being unable to navigate the user-unfriendly system. Some people reported giving up and missing out on financial assistance they have a right to. Others reported that they were the only resident in their village with a computer and the digital literacy skills, so had to go through the process for all her neighbours. Concessions should be applied automatically, and embedded network providers should be obliged to disclose to customers concessions information.

Upgrade Of Meters

RAAG members raised a concern that if the provider is unhappy with the cost of upgrading meters to make them compliant, they may attempt to pass on the financial burden to the older residents. In consulting with RAAG, HAAG recommends that any hardware and meter upgrades be the responsibility of the embedded network provider and the cost should not be implicitly or explicitly transferred to customers.

Disclosure of Embedded Networks and Exit Process

An overarching theme raised by HAAG and RAAG members was a persistent lack of clarity or understanding of when an embedded network exists, what the service entails, what it costs, what the benefits are, and how, if it is possible, that a customer can exit one. Vitally, it must be made clear to any prospective embedded network customer, the cost to them of exiting the network, or if there is no practical way to exit at all so customers can make an informed decision.

Provider Upgrade and Update Transparency

Based on the feedback from RAAG member, HAAG suggests that while providers are in the process of upgrading or updating embedded network systems, processes and hardware, they should be required to provide residents with a plan or schedule of when each requirement will be met to manage expectations and ensure that providers are proactive and accountable to the relevant ESC defined time frames. HAAG is in support of the Panel's suggestion to conduct a targeted information campaign to ensure all consumers are aware of the new framework, and their rights and responsibilities. A special and nuanced focus should be placed on providing adequate information to older people living in retirement villages, residential parks and caravan parks. This should be provided digitally, and in hardcopy to account for different accessibility and digital literacy levels. HAAG sees that regularly residents are not informed of their rights, therefore do not know they have options.

HAAG and RAAG members appreciate the opportunity to illuminate the often ignored or discounted opinions and experiences of older people living in various retirement housing types who feel trapped into embedded networks.

Any questions regarding this submission or for any further feedback or information required, please get in touch with Fiona Waters, Retirement Housing Worker/RAAG Facilitator at Fiona.Waters@oldertenants.org.au or 9654 7389, option 2.