

POWER+WATER

NEWSLETTER OF THE CONSUMER UTILITIES ADVOCACY CENTRE

ISSUE 1 • JANUARY 2011

Door-to-door energy marketing

can self-regulation fix the problems?



**energy prices
and
disconnections**



**rural and
regional water
consumers**



**CUAC to
challenge
distribution
businesses**



**urban water
reform**

C O N T E N T S

Door-to-door energy marketing	3
Consumer voice on urban water reform	5
The consumer experience in focus	7
Energy prices and disconnections up	8
Rural and regional water consumers	10
CUAC to challenge distribution businesses	12
Indigenous Research and Action Project	14
CUAC water pricing forum	15
CUAC news	16



CUAC is an independent consumer advocacy organisation which ensures the interests of Victorian electricity, gas and water consumers—especially low income, disadvantaged, rural and regional, and Indigenous consumers—are effectively represented in the policy and regulatory debate.

CUAC believes all Victorians have a right to:

- affordable and sustainable electricity, gas and water
- have their interests heard in policy and regulatory decisions on electricity, gas and water
- not be disconnected from electricity, gas and/or water due solely to an inability to pay

CUAC:

- Provides a voice for, and strengthens the input of Victorian utility consumers—particularly low income, disadvantaged, and rural and regional consumers—in the policy and regulatory debate
- Initiates and supports research into issues of concern to Victorian utility consumers, through in-house research and building the capacity of consumers through its Grants program
- Investigates and responds to systemic issues affecting Victorian consumers in the competitive electricity and gas markets and with regard to water.

Published by

Consumer Utilities Advocacy Centre Ltd.
 Level 2, 172 Flinders St
 Melbourne Victoria 3000
 P: (03) 9639 7600
 F: (03) 9639 8966
 E: info@cuac.org.au
 W: www.cuac.org.au
 ACN: 100 188 752

*To subscribe to POWER+WATER, email
caitlin.whiteman@cuac.org.au*



Door-to-door energy marketing:

Can self-regulation fix the problems?

For years, consumer organisations have been drawing attention to misleading and unconscionable practices in energy door-to-door and telephone marketing. The problems, however, have continued to grow.

Retailers now recognise the need for change, but is their proposed self-regulatory scheme enough to fix the problems?

Problems with door-to-door and telemarketing

Marketing misconduct is a major concern for Victorian energy consumers. Research commissioned by the Essential Services Commission (ESC) has confirmed that a substantial proportion of Victorians are unhappy with retailers' door-to-door marketing and telemarketing activities.

Common issues include:

- a lack of explicit informed consent;
- misleading representations about retailer affiliation;
- misleading, inaccurate or incomplete information;
- illegal contact (for example, through retailer failure to update Do Not Contact lists); and
- general poor behaviour from sales representatives.

Low income and disadvantaged customers in particular may be misled by inappropriate marketing behaviour, entering energy contracts without sufficient or reliable information. Newly arrived migrants and those with English language difficulties are often vulnerable to direct marketing.

While there is no shortage of anecdotal evidence of the problem, unconscionable and misleading marketing is difficult to prove because it generally occurs without witnesses present to the interaction.

However, customer complaint data does hint at the size of the problem, showing an increase in Energy and Water Ombudsman (Victoria) (EWOV) marketing and transfer complaints over recent years. In 2008-09, complaints rose substantially from 1.38 to 2.66 per 100 customers—an increase of 109 per cent. Between July and December 2009, the EWOV received 1,561 enquiries and complaints relating to marketing issues.

2010 research by the ESC also unearthed evidence of widespread non-compliance with the requirement that retailers supply customers with a written offer summary on request. It found that only 46 per cent of customers who obtained quotes by phone then received written offer summaries. Of the remaining 54 per cent, half were promised written offer summaries that did not arrive, while the other half was refused a written offer summary by the retailer's agent.



The proposed solution

Recognising that problems exist, the retailer peak body, the Energy Retailer's Association of Australia (ERAA), has proposed a self-regulatory scheme on door-to-door marketing. The scheme would incorporate a Code of Conduct that includes standardised training and recruitment practices, the tracking and registering of door knockers, an accreditation process for sales agents, a complaints process, compliance auditing and potential sanctions against members and sales agents whose sales practices raise concerns.

The proposed voluntary scheme would include supporting retailers and door-to-door sales companies, and will be managed by the independent company Energy Assured Limited (EAL).

Before it can go ahead, the ERAA's proposed self-regulatory scheme is subject to an Australian Competition and Consumer Commission (ACCC) authorisation process. Following the lodging of a formal application in late 2010, the ACCC invited submissions on the likely public benefits or detriment of the proposed scheme. CUAC provided a submission to the process.

CUAC welcomes industry initiatives to improve service delivery to consumers, including efforts to improve marketing practices at the doorstep. We also recognise that elements of the EAL Code of Practice are potentially beneficial. However, we have significant concerns about the proposed self-regulatory scheme.

The UK example

The ERAA's application points to the EnergySure Code of Practice in the United Kingdom and suggests

that an Australian scheme would enjoy similar success. While the Code's implementation coincided with a decrease in complaints, the regulator Ofgem noted in a 2009 report that concerns about poor switching decisions by consumers "on the doorstep" remained. Recently, Ofgem announced an investigation into mis-selling, which will examine whether four of the largest suppliers are complying with sales and marketing obligations.

Limited consultation

The ACCC's Guidelines for developing effective voluntary industry codes of conduct notes that seeking consumer input is an important preliminary step that should be taken prior to drafting. Unfortunately, the EAL Code of Practice, Constitution and Code Complaints Process were drafted without such consumer input.

In contrast, the United Kingdom's EnergySure Code of Practice, cited by the ERAA as a successful overseas example, was written with direct input from the regulator Ofgem and from the consumer representative body at the time, Energywatch.

In light of the lack of consumer and regulatory input into the drafting of the Code of Practice, CUAC has suggested that EAL withdraw its current application, re-submitting it after seeking consumer and regulatory participation. If this does not occur, CUAC has called on the ACCC to reject the application at this time.

Access to redress

CUAC has specific concerns about the EAL Code of Practice relating to governance, consumer redress, enforcement, appeals process and penalties for non-compliance. In particular, CUAC sees the lack of



provision for consumer compensation in the event of market misconduct as a major omission. Not only does this limit customer redress, it also reduces retailers' incentive to comply with the code.

Related to this, CUAC is also concerned that the EAL Code of Practice could be used to discourage consumers from seeking redress from the energy ombudsman. Customers who have been subject to marketing misconduct and who are dissatisfied with the resolution provided via the retailer's internal complaints process should still be advised by the retailer of their right to seek redress through the ombudsman. Access to such free, impartial, independent consumer redress remains a fundamental right.

Industry codes and regulatory compliance

An industry code of practice normally exceeds minimum regulatory obligations and represents an industry's commitment to achieving best practice. With regard to door-to-door marketing, however, compliance with minimum regulatory standards has not yet been achieved.

To ensure compliance and protect consumers, CUAC sees a need for stronger monitoring and enforcement of existing marketing obligations. Door-to-door energy sales are regulated under state retail energy marketing codes and the Australian Consumer Law. Regardless of whether the self-regulatory scheme goes ahead, it is essential that regulators and government are vigilant in monitoring compliance and in enforcing marketing legislation and regulations. CUAC will continue to advocate for rigorous enforcement of energy retailers' marketing obligations.

Consumer voice on urban water reform

A wide-ranging Productivity Commission inquiry is currently considering major reforms to Australia's urban water sector.

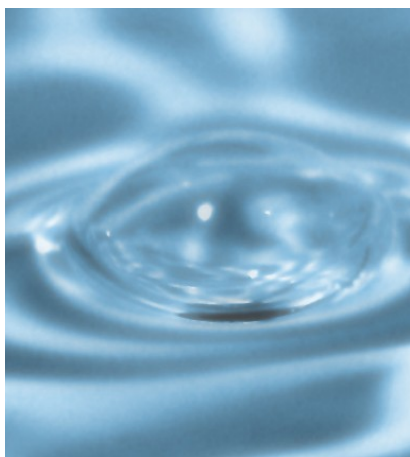
CUAC has been a strong voice in keeping the interests of water users as a central focus of reform efforts.

The Productivity Commission's inquiry into urban water reform comes at a time when our urban water challenges are growing as a result of drought, climate change and population growth. With water issues increasingly prominent in the minds of consumers and decision makers, the inquiry is likely to be an influential contribution to debates about the future of the sector.

The comprehensive inquiry is examining a range of reform options to do with supply of water and wastewater services, consumption, restrictions and pricing, and competition/contestability. Many of the reform proposals under consideration have the potential for major consumer impacts.

At the national level, consumers have frequently been left out of urban water reform policy development and implementation. Without vigorous advocacy, the interests of consumers are likely to be assumed or forgotten.

There are promising signs, however, that consumer interests and concerns will figure more strongly in the report and recommendations of the current inquiry.



To this end, CUAC has been heavily involved to date, meeting with the Commission, presenting a detailed written submission and appearing at a public hearing.

Maintaining universal access

CUAC was pleased that the Commission's discussion paper for the inquiry recognised maintaining universal access to water as an important objective.

Discussions of access often refer to the idea of a 'minimum acceptable' or 'essential' level of access. CUAC recognises that the entitlement to access does not extend to unlimited or excessive water use. At the same time, in our submission and at a public hearing, we emphasised that determination of any 'essential access' threshold needs to consider individuals' different circumstances (such as family size, climate and medical needs). We noted that in a highly developed country like Australia, a level of water use beyond that needed for basic survival needs is necessary to social inclusion.

Pricing

An area of reform of central importance for consumers is water pricing. At a time when major pricing reforms are being considered, consumer advocacy is critical to ensuring that the social and equity implications of pricing decisions are taken into account.

For example, a number of commentators suggest that tenants (who, in Victoria, pay for the consumption but not the fixed component of water charges) be made liable for all water charges. CUAC has highlighted the likely impacts of such a change on tenants, who would see the cost of water rise substantially. We

also identified potential flow-on effects for the state's concessions framework. Factors such as these tend to be ignored where consumers do not have a voice in decision-making.

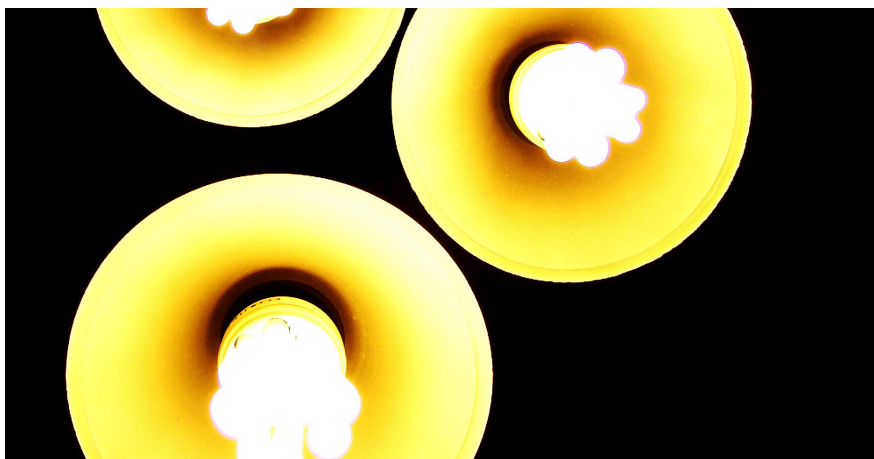
Scarcity pricing is another reform receiving attention in the Productivity Commission inquiry. Under scarcity pricing, the price of water is allowed to rise and fall to reflect variations in supply. When water is scarce, it costs more, encouraging lower consumption and bringing forth revenue for supply augmentation. Scarcity pricing is intended to help balance supply and demand, obviate the need for restrictions, and potentially encourage new sources of supply.

CUAC raised strong concerns about the potential equity and social impacts of scarcity pricing. We noted that managing demand through a pricing mechanism may shift the burden of reducing consumption from all consumers onto those with less capacity to pay for water.

We emphasised that major pricing reforms must integrate identification of consumer impacts (through, for example, modelling studies and engagement with the community sector) and measures to address any detriment, into decision-making, planning and implementation. All too often, it is simply assumed that issues of affordability will be taken care of somewhere else in the policy process. The danger is that social and equity concerns will slip off the agenda.

Next steps

The Productivity Commission expects to release its draft and final reports in March and July respectively. CUAC will be paying close attention to the outcomes of the inquiry.



The consumer experience in focus

While a great deal has been said and written about Victoria's competitive retail energy market, consumers' experiences of the market have not been examined in detail.

CUAC's new research project will be the first substantive analysis of the consumer experience of Victoria's retail energy market.

The Victorian energy market—theory and practice

Competitive markets rely upon well informed and active consumers making decisions in their interest. Consumers seeking better prices and quality of service are the major driver of efficiency in a competitive market. Conversely, lack of consumer awareness and poor quality information can seriously reduce competitive pressure and mean that consumers pay more than they need to for a product.

Full retail competition with deregulated prices has been in place in Victoria since the start of 2009. Over this period many consumers have chosen to change retailers, seeking a better price for their electricity and gas. Those who do exercise choice will often end up with a better offer, but may not get the *best* offer as a result of poor quality information. Meanwhile, it appears that there are still many consumers who do not know how to effectively navigate this competitive market.

Given that energy is an essential service that consumes a significant portion of household budgets, the opportunity cost of ineffective consumer

participation or ill-informed choices are potentially very large.

CUAC's project

CUAC has identified the need for a systematic and detailed examination of the consumer experience of the competitive retail energy market in Victoria. With funding from the Consumer Advocacy Panel, CUAC is conducting a research project that will identify and examine consumer awareness of the retail energy market; whether consumers actively and effectively participate in the market; and the quality of consumer information.

An important component of the project is an analysis of the quality of information and ease of use of the various "switching" websites that allow consumers to search for better energy offers. This analysis, which is nearly completed, has thrown up interesting findings on the accuracy, completeness and transparency of switching sites. CUAC hopes to release the research on these switching services in coming weeks.

CUAC will use the results of this research to develop policy recommendations for supporting consumers in the energy market. CUAC also hopes that the results of the project will influence the development of the Australian Energy Regulator's approach to retail market issues, and feed into ongoing Australian Energy Market Commission reviews of competition effectiveness in other jurisdictions. In addition, the findings should help consumer advocates across Australia to tackle issues of competition in utility markets.



Energy prices and disconnections up

Time to strengthen the safety net

On 16 December the Essential Services Commission (ESC) released its Energy Retailers Performance Report for 2009-10. The report's analysis of the upward trend in electricity and gas prices leaves us with more questions about whether consumers are being well served by retailer hardship programs.

Competition and price

According to the report, around 65 per cent of Victorian customers have entered market contracts since competition was introduced in the early 2000s. Switching rates remain high, with 25 per cent of all energy customers changing retailers in 2009-10.

Some of the 35 per cent of customers still on standing offer contracts are being exposed to higher prices and price increases. In 2009-10 standing offer prices increased on average 12 to 16 per cent, although the increase was as high as 24 per cent for some retailers. In some distribution areas, the difference between the highest and lowest standing offer prices was substantial—up to \$200.

The ESC report finds that residential electricity customers can potentially save around 10 per cent by switching to market offers, with similar savings possible for gas consumers. Consumers on market offers are also likely to fare better in terms of price increases. Residential market offer prices increased by an average of 13.5 per cent and 7 per cent for electricity and gas respectively.

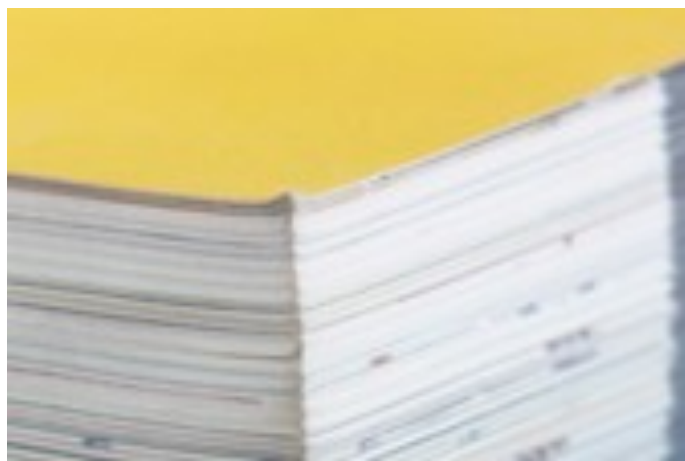
Hardship

Given these price increases, we may well have expected more customers to self-identify as experiencing hardship or to be referred to retailer hardship programs. However, participation in these programs remained steady in 2009-10 compared with the previous year (24,267 customers).

Also of concern is that the average debt on exiting a hardship program (\$815) was higher than debt on entry (\$612), with this gap increasing substantially in 2009-10. The ESC indicates that this is explained by three retailers (Click Energy, Powerdirect and TRUenergy) reporting an increase in debt over \$500 on exit from the program.

Hardship program participant average entry and exit debt 2009-10¹

Retailer	Entry debt	Exit debt
AGL	458	426
Aust Power & Gas	1113	1100
Click Energy	1091	1881
Country Energy	742	672
Energy Australia	629	292
Victoria Electricity	1532	517
Neighbourhood Energy	1175	921
Origin Energy	523	580
Powerdirect	1423	1958
Red Energy	627	546
Simply Energy	999	718
TRUenergy	604	1046



Nonetheless, CUAC is concerned at the levels of debt on exiting hardship programs generally. While it is widely acknowledged that Victoria has relatively strong protections for consumers experiencing hardship, the question remains: are hardship plans genuinely working to help customers to address their financial hardship circumstances and to manage their debt and ongoing consumption?

Genuine hardship assistance should include an assessment of capacity to pay, incentives and debt waivers where appropriate, identification of any ongoing consumption or appliance and usage issues, information provision and referral to government assistance programs.

CUAC believes the ESC should investigate a number of hardship issues arising from the report:

- why are customers exiting hardship programs with debt?
- 23 per cent of hardship program participants were excluded from a program for “not complying with requirements” – does this mean they were unable to keep up with required payments or ongoing consumption?²
- why were so few participants provided with free energy audits (less than 5%) or appliances (0.8%) under the program?
- why were only 0.8 per cent of customers referred to the state government’s Homewise/Capital Grants program resulting in appliance replacement?

Disconnections

Disconnections for both electricity and gas increased sharply in 2009-10. 13,486 electricity customers were disconnected from supply in 2009-10, an increase of 3,918 or 40 per cent from the 2008-09 period. 15,473 gas customers were disconnected. This was up by 5,396 or 54 per cent on 2008-09 figures. These increases in disconnections were across all retailers.

The increase in the number of disconnections reinforces CUAC’s concern that during the same reporting period, the number of people on hardship plans remained stable. Why was a proportion of these customers not identified for hardship program participation? In light of increasing disconnections, CUAC supports the ESC’s commitment in the report to audit retailer compliance with their disconnection obligations under the Retail Code.

The disconnection results also send a strong signal to the new Victorian government about the seriousness of utility debt crisis facing many Victorians. CUAC welcomes the coalition government’s commitment to extend the winter energy concession to all year round to assist concession card holders with these bills. This should be introduced as a matter of priority.

¹ Source: Essential Services Commission, Energy Retailers Comparative Performance Report Customer Service 2009-10, Appendix A: Hardship data by retailer.

² Calculated from figures on p. 11 of the report.



Low income water consumers doing it hard in rural and regional Victoria

The Essential Services Commission's Water Performance Report for 2009-10 highlights the major equity issues that have crept into our water pricing framework. Rural and regional Victorians continue to face higher water and sewerage charges, paying on average \$213 more per year than consumers in metropolitan Melbourne.

Owner-occupiers

Figure 1 shows that owner occupier customers of the three metropolitan water businesses, City West Water, South East Water and Yarra Valley Water, paid the lowest charges in 2009-10.

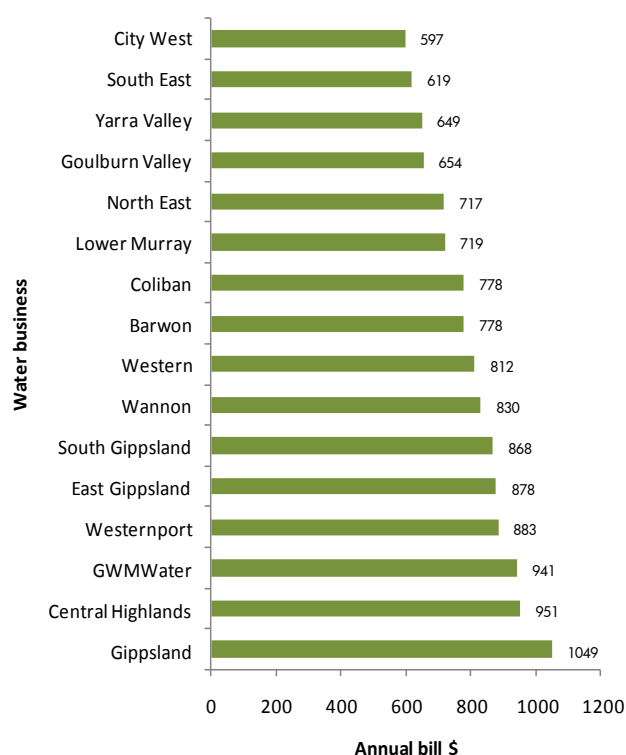
Meanwhile, Gippsland Water customers faced the highest water and sewerage costs, paying roughly double their counterparts in the western suburbs of Melbourne in 2009-10. The performance report shows that an average Gippsland Water customer paid charges of \$1049 for the year, compared to \$597 for customers of City West Water.

Geographical differences in the price of water reflect the varying cost of provision. Water businesses outside of Melbourne have fewer customers, with those customers generally spread over a larger geographical area. Combine the different cost of providing water and sewerage with an underlying philosophy of 'cost-reflective pricing' and rural and regional customers tend to be worse off.

Tenants

The situation is somewhat different for tenants. Tenants do not pay service (fixed) charges and are only responsible for the usage (variable) component of the bill, while fixed charges are an owner's responsibility and likely to be recovered through rent. For tenants, average household bills ranged between \$91 (Westernport Water) and \$333 (North East Water) in 2009-10.

Fig. 1 Average owner-occupier household bill 2009-10¹





Because of the metropolitan businesses' greater emphasis on fixed charges, tenants in Melbourne face relatively high water bills of around \$300 per year.

Average tenant bills, while still substantially lower, have increased by a greater percentage than owner-occupiers because of a shifting emphasis onto variable/usage charges.

Payment difficulties

CUAC has heard from local groups that many people are struggling to pay for essential services like water, electricity and gas on top of their housing costs.

This is unsurprising when water prices are considered alongside Australian Bureau of Statistics (ABS) data on socio-economic disadvantage. For example, Central Highlands Water customers pay the second highest water bills, at \$951 per year. Central Highlands Water serves customers in Ballarat, a reasonably well-off area, but also services the most disadvantaged of Victoria's 79 local government areas, Central Goldfields shire, as well as Pyrenees shire (3rd most disadvantaged).

The third highest prices are charged by GWMWater, only slightly lower than Central Highlands at \$941. This area includes the local government areas Yarriambiack (5th most disadvantaged), Buloke (8th), Swan Hill (12th) and Mildura (17th).²

Assistance to customers

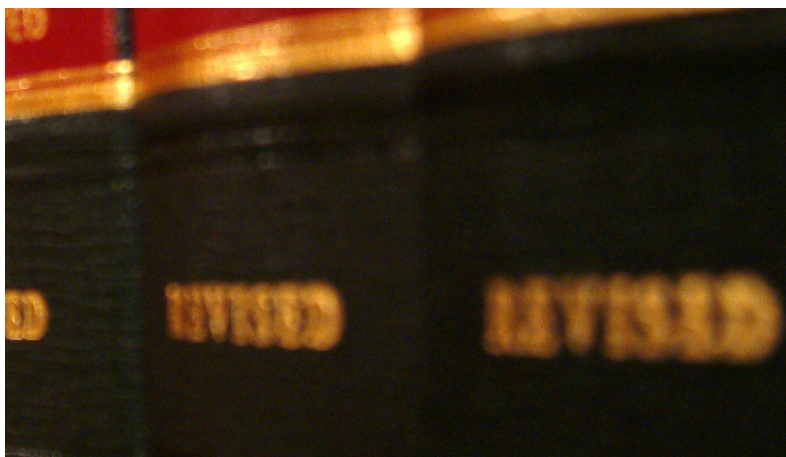
With prices on the rise, CUAC is concerned that some water businesses are not doing enough to help people with payment difficulties.

Instalment plans are one way of helping people to manage their bills, but the rate of customers on instalment plans increased only very slightly from 5.6 per 100 customers in 2008-09 to 5.7 in 2009-10. Water businesses vary in their willingness to offer instalment plans. For example, only 0.4 per 100 Westernport Water customers had an instalment plan in 2009-10, compared to 14.2 per 100 Coliban Water customers.

Water businesses can also assist customers in hardship by making hardship grants (ie. waiving customer debt). In total, water businesses approved 11,244 hardship grants, a small increase over the previous year. Again, there were both good and bad performers on this indicator. Yarra Valley Water's extensive hardship grant scheme accounted for a huge 85 per cent of the total number of grants, with grants made to 1.5 per cent of customers. Wannon Water also made hardship grants to a high proportion of customers (1.3%). Disappointingly, four businesses (Barwon Water, Coliban Water, Lower Murray Water and South Gippsland Water) did not provide any hardship grants to customers.

Worryingly, 3236 domestic consumers had their water restricted for non-payment, an increase of 7 per cent. 555 of those restricted were concession card holders. CUAC will be calling on the ESC to examine whether these consumers had been offered hardship plans in an effort to keep them on supply.

¹ Source: Essential Services Commission, 2009-10 Water Performance Report, Data—Affordability.



CUAC to challenge distribution businesses to keep prices down

In a first for consumers, CUAC together with the Consumer Action Law Centre has applied to the Australian Competition Tribunal for leave to intervene on behalf of consumers in the appeals lodged by Victoria's five electricity distributors against the Australian Energy Regulator's recent price determinations.

The recent final decision in the Victorian Electricity Distribution Price Review approved higher levels of expenditure for Victorian distribution businesses. These will result in higher costs for Victorian electricity consumers but will also allow for investment in the distribution network to take place. Not satisfied with the extent of the expenditure increases, the five distribution businesses have challenged the Australian Energy Regulator's (AER) decision in the Australian Competition Tribunal. CUAC is seeking permission from the tribunal to intervene in this process to ensure that the consumer perspective is heard.

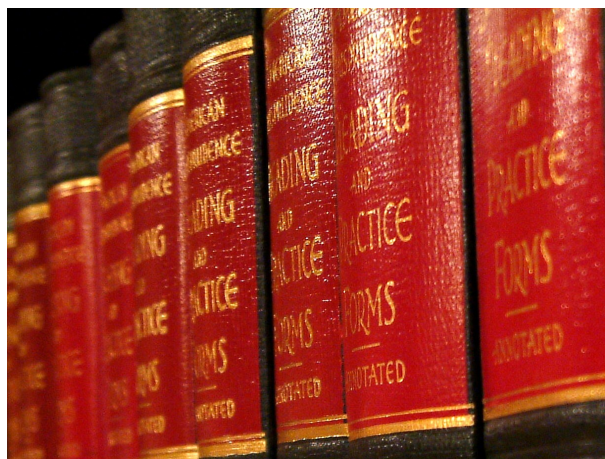
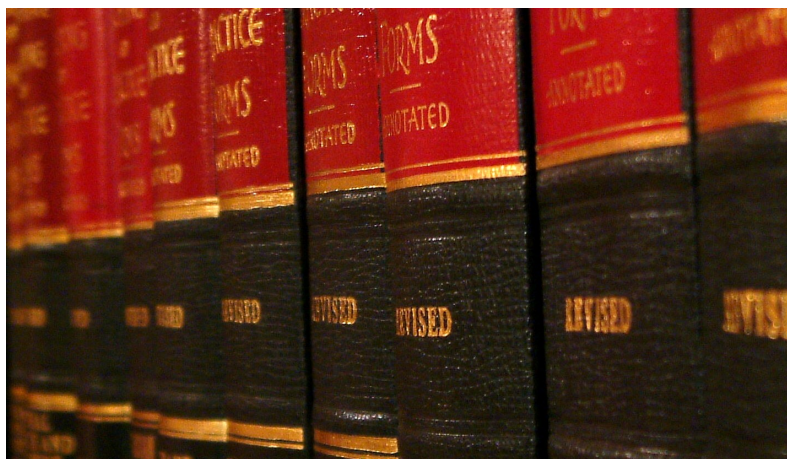
AER decision

In October 2010, the AER delivered its final decision in the Victorian Electricity Distribution Price Review. This review is undertaken every five years to set the amount of expenditure that Victoria's five monopoly distribution businesses can pass through to consumers. The current decision will be in place between 2011 and 2015.

The five distribution businesses, SP AusNet, Powercor, Citipower, Jemena and United Energy Distribution, are responsible for the poles and wires that supply energy to consumers' homes and businesses. Because it is inefficient to have duplicate sets of poles and wires in a particular geographic area, the five distribution businesses are each natural monopolies in their areas. Given this, it is necessary to subject these businesses to revenue regulation, such as the recent price review, to ensure that consumers are charged a fair price for the supply of energy to their homes via each company's distribution network.

In the final decision, the AER approved increases to the levels of capital and operating expenditure that companies are allowed to pass through to consumers. This will mean that consumers pay higher prices for the distribution network, which will be passed through to their retail bills. While price impacts will vary between distribution businesses, AER chairman Mr Andrew Reeves noted that the decisions taken by the AER "would result in an annual retail electricity bill for the average Victorian residence rising by a total of \$8 (around 1 per cent) in 2011." Further increases are expected in the years 2012-2015 with residential retail price increases estimated to be between \$10.60 and \$14.45 depending on the distribution business for each of those years.

The AER rejected the distributor requests for a 70 per cent increase in capital expenditure over the regulatory period and instead only allowed for a 45



per cent increase. This was to allow for the replacement of ageing distribution assets and for regulatory changes aimed at mitigating the risk of bushfires caused by distribution network assets failing.

"In a relatively stable environment, past expenditure is a good guide to future needs. However, as required by the regulatory regime, the AER has accepted the need for additional expenditure to replace ageing infrastructure - built in the 1960's and 70's - meet new bushfire safety standards and maintain reliability in the face of growing costs and demand. This is in part due to the growth in energy intensive appliances, like home air conditioners," said Mr Reeves.

The five distribution businesses were not satisfied with the AER's decision and have elected to challenge it in the Australian Competition Tribunal. They have chosen particular aspects of the decision which will be contested in the Tribunal to determine the final outcome as allowed by the National Electricity Law. The National Electricity Law also allows for consumer representatives to intervene in this process to put their views.

The consumer intervention

CUAC along with the Consumer Action Law Centre, and with the support of our legal team at Maurice Blackburn, has decided to seek leave to intervene in the tribunal proceedings to ensure that the consumer voice is heard.

This legal action is a first for consumers in Australia. CUAC believes that the appeal system isn't fair to consumers as consumers get to have a say in the

regulator's decision, but have no automatic right to intervene if the distributors are permitted to proceed with their appeal.

CUAC hopes that by standing up for consumers in this process we will bring home to energy businesses the seriousness of the cost of living pressures confronting Victorians every day. Just as every dollar counts for consumers, the businesses need to be brought to account for every dollar they claim when putting their costs before the regulators.

Law firm Maurice Blackburn is representing the organisations in the proceedings on a *pro bono* basis, supported by barristers Kristine Hanscombe SC and Melanie Szydzik.

More information

Readers can find out more about the process or leave comments on the CUAC and Consumer Action Law Centre's blog at www.fairpricesforpolesandwires.blogspot.com/

Share Report Abuse Next Blog»

Fair Prices for Poles and Wires

Tuesday, January 18, 2011

Switching power to the people ...

The Herald Sun is asking all Victorians to join in its campaign against rapidly rising electricity prices...

<http://www.heraldsun.com.au/opinion/editorials/switching-to-people-power/story-e6frhqp-1225989965710>

Posted by Fair Prices for Poles and Wires at 12:18 PM 0 comments

Your stories

If you're not happy with the distribution companies' moves to gain further price increases or you're already struggling to pay your electricity bills, then tell us your story by posting a comment in the box below.

Posted by Fair Prices for Poles and Wires at 11:58 AM 0 comments

Consumer groups take on

Followers

Follow with Google Friend Connect

Followers (8)

Already a member? [Sign in](#)

Blog Archive

▼ 2011 (5)

▼ January (5)

Switching power to the people ...

Your stories



Indigenous Research and Action Project

Building on its earlier research into the experience of Victorian indigenous consumers, CUAC has begun preliminary work on an Indigenous research and action project.

This new project aims to:

- identify policy and regulatory issues which impact on Indigenous people's access to affordable and sustainable electricity, gas and water in Victoria;
- develop sustainable advocacy and consumer empowerment strategies to address these issues; and
- deliver outcomes which make a difference to the everyday experience of Indigenous consumers in accessing energy and water.

CUAC has identified a number of issues of concern for Indigenous consumers of energy and water including high rates of disconnection, limited information availability and relatively poor relationships between Indigenous consumers and the energy and water industry. Some of the key issues the project will cover include energy and water efficiency, access to dispute resolution, community relationships with industry and existing barriers to Indigenous consumer protection and participation.

The success of the project will rest on strong partnerships. CUAC has begun building strong relationships with Indigenous community agencies in order to better understand the experience of Indigenous communities with regard to the provision of essential energy and water supplies. A steering

committee will be formed to help direct the research and to support linkages with community agencies and the broader community.

Throughout the project, CUAC will work closely with Indigenous community agencies, social welfare organisations, government, Sustainability Victoria, the Essential Services Commission and the Energy and Water Ombudsman (Victoria).

CUAC is also pleased to announce a partnership with Kildonan UnitingCare in the conduct of this project. Kildonan has agreed to support the CUAC project through the provision of research assistance and oversight as well as through their unique insight into community experience with energy and water services.

The second phase of this project will take action in response to the research findings and will include the hosting of a forum that includes participants from community agencies and industry. This stage is likely to involve the roll out of culturally appropriate information and education materials to Indigenous energy and water consumers in Victoria.

The project has been made possible through the support through of the Consumer Credit Fund administered by Consumer Affairs Victoria.

CUAC welcomes feedback and involvement from relevant stakeholders. Feel free to contact Jo Benvenuti, Executive Officer with feedback or ideas. jo.benvenuti@cuac.org.au or call (03) 9639 7600

an invitation to

Urban water pricing in the consumer interest

a Consumer Utilities Advocacy Centre forum

Monday 28 February 2011

Treasury Theatre, 1 Macarthur Street, Melbourne

Water prices are rising.

Meanwhile, water businesses, government and regulators are considering major changes to the way that water charges are determined and allocated.

What might these changes mean for consumers?

Can efficiency, sustainability and equity all be achieved?

And how do we ensure that water remains affordable for all?

Keynotes from

Professor Stuart White, Director, Institute for Sustainable Futures, University of Sydney

Tony Kelly, Managing Director, Yarra Valley Water
Jo Benvenuti, Executive Officer, Consumer Utilities Advocacy Centre

And panel discussions with

Sue Fraser, Senior Manager, Social Advocacy Services, Kildonan
UnitingCare

Ross Young, Executive Director, Water Services Association of Australia

Kelly O'Shanassy, Chief Executive Officer, Environment Victoria
Anjali Brown, Manager, Water Policy and Projects, Alternative Technology Association

... and more to be confirmed



Register online at <http://waterpricingconsumers.eventbrite.com/>

\$120 Government and industry participants
\$60 Community sector participants
* or contact us if you require an exemption

CUAC water pricing forum

In recent years, water price increases have generated community concern in Victoria. Major pricing reforms (such as scarcity pricing and externality pricing) are being considered at a national level. At the same time, Victorian water businesses have been re-examining tariff structures in the lead-up to the Essential Services Commission's upcoming review. The new Victorian Government has also signalled its intention to make changes to water charges.

As all of these reforms come under consideration, CUAC sees a need to improve knowledge and capacity among consumer advocates, policymakers,

regulators and water businesses in relation to the consumer dimensions of these urban water pricing issues.

With the aim of building this knowledge and capacity, CUAC is convening a one-day forum on 'Urban Water Pricing in the Consumer Interest' on Monday 28 February. The day will combine keynote presentations and panel discussions with representatives from the community sector, academia, business, environmental organisations and the water sector.

CUAC hopes that bringing stakeholders together to focus explicitly on consumer interests and impacts, we will ultimately contribute to better reform outcomes for consumers. We welcome your participation in the event.

CUAC news

Victorian Government changes

Following the November 27 Victorian state election, the Hon Michael O'Brien MP has been appointed Minister for Energy and Resources, and is also the new Minister for Consumer Affairs. The Hon. Peter Walsh MP is the Minister for Water.

CUAC welcomes Ministers O'Brien and Walsh and looks forward to working with them in the interests of energy and water consumers.

Changes to CUAC publications

Following a communications review last year, CUAC is making changes to its publications in 2011. Because most utilities issues are relevant to consumers in both metropolitan and rural/regional areas, we have amalgamated our Rural and Regional Network Newsletter and the more general

CUAC Quarterly (CUACQ). We will continue to cover developments in energy and water across Victoria, not just in the city.

In addition, the newsletter will now be produced three rather than four times per year. As the newsletter is no longer quarterly, it has been renamed POWER+WATER. We welcome any feedback you may have on these changes.

In coming months, CUAC will also be re-vamping its website according to recommendations from the communications review. The new website will offer access to all CUAC information and publications in a searchable and easy-to-navigate format.

CUAC submissions October—December 2010

CUAC made the following submissions during the October–December quarter:

- Australian Energy Regulator—Retail Pricing Information Guideline Position Paper and Guideline (September 2010) - Public Version
- Australian Energy Regulator—Retail Authorisation Guideline (November 2010), Consultation Paper and Response to Submissions (November 2010)
- Treasury, Joint consumer submission on the draft Australian Consumer Law regulations
- Australian Competition and Consumer Commission—Energy Assured Limited applications for authorisation A91258 & A91259 - Interested party consultation
- Department of Primary Industries—Issues Paper on the Expansion of the Energy Saver Incentive
- Productivity Commission—Australia's Urban Water Sector Public Inquiry
- Essential Services Commission—Regulatory Review - Smart Meters Final Decision (September 2010)

All CUAC public submissions can be viewed on the CUAC website at www.cuac.org.au