

CUAC Rural and Regional Network Newsletter

June 09

Gas, water and electricity consumer issues in rural and regional areas



Inside:

The Bendigo report

p.2

Advocacy wins

p.3

**Some winter grants,
discounts and
incentives**

p.4

Welcome to the winter edition of the Rural and Regional Newsletter. CUAC's Executive Officer Jo Benvenuti braved the cold and made a trip to Bendigo to discuss energy needs of small businesses in the area—see the report inside for details, along with some advocacy 'wins' and details of some government grants and programs.

As with the previous edition, please also find attached the CUAC Quarterly, which has detailed information about developments in the sector as well as the latest CUAC news.

Consumer Utilities Advocacy Centre

Level 2,

172 Flinders St.

Melbourne, Vic, 3000

Phone: 1300 656 767

Fax: 03 9639 8966

Email:

info@cuac.org.au

www.cuac.org.au

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



Rural businesses call for assistance in negotiating better energy deals

By Jo Benvenuti
CUAC Executive Officer

Businesses in the Bendigo region have told CUAC they are struggling to negotiate market contracts with energy retailers.

CUAC was invited to attend a business development session in Bendigo on 16 June 2009 organised by Jeff Bothe, the Industry Development Officer at the Business Development Unit of the City of Greater Bendigo. At the meeting, 12 local businesses told of their experiences with energy marketers and discussed the difficulties they were having in getting good market deals. A representative of the Essential Services Commission was also invited to hear about the issues first hand.

The issues included that energy marketers were calling them at their business or home and making offers, but they found the calls a nuisance, invasive, and unhelpful as they did not get answers to the questions they asked. Some said they are reluctant to discuss signing up to a deal without written information up-front.

Businesses have also had “door-to-door” marketing approaches and these had similarly proved unsatisfactory, citing misinformation and a lack of written information as key problems.

Many representatives talked about the complexity of the tariffs and charges and their concern that they were not comparing “apples with apples”. The energy component of their business costs was significant but in many instances, for example, non-manufacturing businesses, the potential savings did not warrant paying for specialist advice. In some examples discussed, however, businesses had paid thousands of dollars more for their energy than they should have if they had negotiated a better market offer.

There was acknowledgment that it is also hard to get energy retailers interested in going to rural areas to discuss market contracts with small business because of the distance from Melbourne and the fact that this would eat into the margins of the retailers. A solution posed was that a number of the businesses aggregate, or join together and approach the various retailers for a better deal.

Business owners said they find it difficult to get the sort of information they need on how to negotiate offers and a substantial proportion of small



businesses in the region do not have computers and are not able to easily access the Essential Services Commission (ESC) website regarding Choice or the comparator tool that is available.

Later in the day, the Essential Services Commissioner, Mr Ron Ben-David and senior ESC staff, together with a representative from the state government met with the CEO and senior staff from the City of Greater Bendigo to discuss the issues identified by the Development Unit.

It was a very useful discussion, with the ESC offering to work with the Business Development Unit to develop information that could be rolled out to small business to increase their knowledge and empower them to make better deals. This includes information on tariffs, how to seek and compare offers and more information on potential pitfalls and what to look for in contracts. CUAC has been invited to participate in this process and we are keen to see this information made available to other business customers across the state.

CUAC believes that while small businesses and rural businesses, in particular, may be struggling with the deregulated market, that residential customers and especially low income and disadvantaged customers are urgently in need of more information and assistance to benefit from Choice. CUAC would also like to see more tools developed to assist these groups and will continue to work towards making this a reality.

CUAC would like to acknowledge Jeff Bothe’s work in organising these visits. Jeff is a member of CUAC’s Market Issues Group and he works very hard to see that his constituents are well represented in our workplan and activity.

Catches of the Day: some advocacy ‘wins’

By Tosh Szatow
CUAC Policy Officer

Policy advocacy can be a little bit like fishing. You do all the research and planning you can to make sure you’ve got the right fishing gear, to make sure the tide is right and that the moon is in the right phase, but you can never be certain whether it was just plain luck that brought the fish to your bait, or your bait to the fish.

Was it your persuasive argument that won the day? Or was it just because the person at the other end was in a good mood? We can never be sure, but like a good angler, we think we can celebrate a good catch anyway.

Here are a few recent bites.

NMWEC and NURG

CUAC has been actively engaged on issues around awareness of the Non Mains Winter Energy Concession (NMWEC) and the Non Mains Utility Relief Grant (NURG). CUAC’s Domestic Issues Group commissioned and managed research into LPG affordability issues, and had an active role in the recent LPG code review.

The Department of Human Services (DHS) is now significantly ramping up its education and awareness campaign of NMWEC and NURG.

CUAC has received a briefing from DHS on their plans, which will include a training and awareness raising program for financial counsellors, LPG retailers and on-sellers, an early start to advertising programs and targeted mail outs. CUAC has suggested ways to measure and track the relative success of each program, and hope DHS will be able to do so.

Credit in this area must also go to John Mumford, and to the team at Eastern Access Community Health for their excellent research, advice and persistence on these issues.

Embedded Generators

In its recommendation to the Ministerial Council on Energy Standing Committee of Officials (MCE SCO), consultants Allens Arthur and Robinson have taken on a CUAC recommendation – that equipment certified to international standards equivalent to Australian Standards, be accepted by distribution busi-



nesses when processing connection of embedded generators (EG). EG are small power generating units, like solar panels or fuel cells, that can connect to the electrical distribution network. If adopted, this will ensure Victorian consumers will have access to products developed for the global market, and won’t be disadvantaged by the relative size of the Australian market, which can stop some manufacturers getting Australian certification.

Barriers to demand side

Lastly, as part of its draft report into barriers to demand side participation, the Australian Energy Market Commission (AEMC) has identified a number of barriers highlighted by CUAC research and submissions. While we believe there remain barriers that go unacknowledged, and those that are have yet to be resolved, we are optimistic the review is progressing towards positive outcomes for consumers throughout Victoria.

CUAC is often engaged in regulatory and policy debates whose technical nature can dissuade some organisations from participating. However we find that feedback ‘from the field’ highlighting consumer concerns provides critical support and momentum for addressing important systemic issues.

We welcome feedback and input from stakeholders on all our submissions.

Winter grants, discounts and incentives

Energy Saver Incentive

The State Government Energy Saver Incentive (ESI) provides discounts and special offers through participating businesses on a range of energy efficiency measures, including some which can help people heat their homes for less this winter.

For example, if you are replacing your heater, incentives can range from \$50 to benefits worth several thousand dollars, with some of the biggest savings to be made on switching from old electric heating to efficient gas heating.

Discounts are also available for other heat and energy saving home improvements including double-glazing windows, sealing gaps around doors and windows, and draught-proofing vents and chimneys.

Consumers might be contacted, by phone or directly at their front door, by a range of energy efficiency businesses accredited by the scheme administrator, the Essential Services Commission.

A key element of the Energy Saver Incentive is energy efficient products must be installed by accredited persons, and consumers will be asked to sign a form confirming they have received the benefit offered.

Doorknockers must carry identification of the participating business.

If unsure about the supplier or the product, you should ask for more information before making a decision or make an appointment for the supplier to return at a more convenient time.

Like any other product, you may wish to shop around to find the best deal before you decide to purchase a product or service.

The scheme is voluntary and Victorian householders are not obliged to participate.

Through the Energy Saver Incentive, accredited businesses created certificates for every tonne of greenhouse gas they help households save by installing energy efficient products and appliances.

These certificates can then be sold to energy retailers to meet their mandatory energy efficiency target under the Victorian Energy Efficiency Target legislation.

A list of businesses participating in the Energy Saver Incentive is at www.saveenergy.vic.gov.au or by contacting the Essential Services Commission on (03) 9651 4911.

Appliance discount—get in quick

Victorians have a few more days to get a \$100 discount on the cost of energy and water efficient washing machines and dishwashers through a \$1 million State Government scheme.

Until June 28, Victorian retailers participating in the Victorian Government Appliance Incentive initiative will provide \$100 cash back on the purchase of washing machines and dishwashers with a minimum 3.5 star rating.

Household appliances, including washing machines and dishwashers, account for around 13 per cent of greenhouse gas emissions in a typical Victorian household and five per cent of a household's energy usage.

For a full list of participating retailers see resources-mart.vic.gov.au



Bushfire Grants

A \$2000 Winter Needs Grant is being automatically paid to people who have received payments for homes destroyed or damaged in the recent bushfires. The grant aims to help with winter essentials for bushfire survivors, including things like heaters, blankets and new winter clothing, and covering the cost of gas and electricity bills, having insulation installed or buying-up materials to make home improvements on temporary housing. About 4000 people are expected to benefit from this grant.

The grants will appear in the bank accounts of bushfire-affected individuals and families who have previously applied for or received Rebuilding and Recovery grants from the Victorian Bushfire Appeal Fund, and householders who received National Disaster Relief and Recovery Arrangements.

Anyone impacted by the bushfires that has not applied for or received a Victorian Bushfire Appeal Fund grant or that believes that they may be eligible for the \$2000 grant or any of the other assistance measures available through the appeal fund should contact 1800 180 213.



Water Reform

A National Consumer Forum

The Federal Government *Water for the Future* program involves significant national policy development and investment. Policy makers are changing our understanding of water as a public and essential service to water as a commodity. Consumer advocates have recognised the need for greater consumer engagement in decision making on water policy and a strong voice in representing consumers, including low income and disadvantaged households and vulnerable communities, as policy and programs are developed. This forum aims to bring together consumer, welfare and environmental advocates to develop a greater understanding of national water reform in Australia and build an approach to water policy in the interests of consumers.

Program

8:30 Registration

9:00 Welcome: Why this forum? An overview of the day, aims and outcomes

Tony Westmore, Senior Policy Officer, Australian Council of Social Service (ACOSS)

9:15 What's going on now? National reform initiatives and processes

Jo Benvenuti, Executive Officer, Consumer Utilities Advocacy Centre (CUAC)

9:45 National water reform – impacts for consumers

Mark Ludbrooke, Senior Policy Officer, Public Interest Advocacy Centre (PIAC)

Liz McAloon and Wayne Chamley, Project Officers, Watermark Australia

10:15 National water reform – impacts for the environment

Tim Stubbs, Policy Analyst, The Wentworth Group of Concerned Scientists

Alan Gregory, Research Scientist, Sustainable Ecosystems, CSIRO

10:45 Break

11:15 Panel: consumers and environment: questions and discussion

12:15 Issues in reform policy

Ross Martin, General Manager, National Water Commission (NWC)

1:00 Lunch

1:45 Water For the Future Program

Ian Robinson, First Assistant Secretary, Department of the Environment, Water, Heritage and the Arts (DEWHA)

2:30 Models for engagement and advocacy

Gordon Renouf, Director Policy and Campaigns, CHOICE

3:15. Break

3:45 Where to from here? Panel and discussion

4:30 Close

Water Reform – A National Consumer Forum is an initiative of consumer, welfare and environmental organisations concerned with increasing community understanding of proposals for national water reform and ensuring that consumers are represented in public policy processes.

ACOSS: www.acoss.org.au CUAC: www.cuac.org.au PIAC: www.piac.asn.au

Venue: Karstens at CQ, 123 Queen Street, Melbourne

Date: Friday 03 July 2009 Time: 8:30 am – 4:30 pm

The cost of registration is \$85.00 per person (so that we can recover actual costs).
However, organisations unable to meet this expense can request a waiver of the fee.

Please register by 1 July.

Register online at acoss.org.au, or by email to al@acoss.org.au or see registration form next page.

For further information about the forum please contact

Jo Benvenuti on 03 9639 7600 Tony Westmore at ACOSS on 02 9310 6207.

Water Reform – A National Consumer Forum Registration Form

Karstens at CQ, 123 Queen Street, Melbourne

Friday 03 July 2009 8:30 am – 4:30 pm

Register online at acoss.org.au, or by email to events@acoss.org.au with details below, or print this form and return by fax or post. Places are limited. Please register right away.

This form serves as a tax invoice when payment is made. Prices quoted include GST. Receipts are issued for all payments. Australian Council of Social Service ACOSS ABN: 72 757 927 533

Please complete one form for each participant. ** indicates required information.

Personal details

Title: Mr Ms Dr Other

Name: **

E-mail: **

Position:

Organisation:

Address:

.....

Postcode:

Phone:

Fax:

Dietary/other requirements:.....

Payment details: the organisations presenting this Forum are seeking cost recovery for your participation. If your organisation is not able to meet this expense, please tick the first box below. Otherwise please indicate your preferred method of payment.

- Please waive the registration fee **OR**
- Cheque payable to Australian Council of Social Service **OR**
- Direct deposit to: ACOSS BSB 062-033 Account: 901648 Reference: Organisation or Surname **OR**
- Visa MasterCard Amex

Card no: _____ / _____ / _____ / _____

Expiry date: ____ / ____ Amount: \$85

Name on card: _____ Signature: _____

Thanks for your interest. If you have questions or comments about the program, please call Jo Benvenuti at CUAC on 03 9369 7600 or Tony Westmore at ACOSS on 02 9310 6207.

We will confirm your registration by email or by fax if you do not provide an email address.

Payment must be made in advance of the event.

Please direct inquiries to events@acoss.org.au

Australian Council of Social Service (ACOSS)

Email: events@acoss.org.au Web: www.acoss.org.au

Phone: 02 9310 6200 Fax: 02 9310 4822

Post: Locked Bag 4777, Strawberry Hills NSW 2012