

Media Release

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The Consumer Utilities Advocacy Centre (CUAC) is calling on the Victorian Government to address the slow creep of regulatory changes diminishing Victorian energy consumers' protections. Amendments in October 2014 and January 2015 to the Energy Retail Code have diminished and eroded our Victorian protections as the process of harmonisation with the National Energy Customer Framework progresses.

Today at least 77 per cent of Victorian customers are on market retail contracts. A significant proportion of these Victorians are at a real risk of lower consumer protections.

'A reduction in consumer protections may erode consumer confidence in the energy market and deter consumers from participating in the market. What we don't want to see are poor consumer outcomes for Victorians,' said CUAC's Executive Officer Mercedes Lentz.

CUAC's research found that moves to the new 'Harmonised' Energy Retail Code present challenges to the effective monitoring and enforcing of the way energy retailers do business.

'Any move to less clear and less enforceable requirements of energy retailers is a step backwards for Victorians,' says Ms Lentz.

The CUAC interim report also identifies the regulatory and legislative changes needed to provide greater access to financial hardship assistance for those experiencing payment difficulties. In 2013-14, Victoria had the highest disconnection rate in Australia. In the same period, the Energy and Water Ombudsman (Victoria) registered a record of 84,758 cases and dealt with more affordability complaints that ever before.

'We want to see an Energy Retail Code that gives us confidence that disconnection rates will go down and dare I say, be only a last resort,' says Ms Lentz.

Victoria's high disconnection rate and the high level of customer complaints are key indicators of the need for regulatory review.

CUAC will be presenting its findings to the Essential Services Commission who is undertaking an inquiry into energy retailers' policies and practices supporting customers experiencing financial hardship avoid disconnection.

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