



**Comment
on the
Composite
Consultation
Paper on the
National
Framework for
Non-Economic
Distribution
and Retail
Regulation
by the Retail
Policy Working
Group**

July 2007

INTRODUCTION

ACTCOSS acknowledges that Canberra is built on the traditional lands of the Ngunnawal people. We pay our respects to their elders and recognise the displacement and disadvantage they have suffered since European settlement. ACTCOSS celebrates the Ngunnawal's living culture and valuable contribution to the ACT community.

The ACT Council of Social Service Inc. (ACTCOSS) is the peak representative body for not-for-profit community organisations, people living with disadvantage, and low-income citizens of the Territory. ACTCOSS is a member of the nationwide COSS network, made up of each of the state Councils and the national body, the Australian Council of Social Service (ACOSS).

ACTCOSS' objectives are representation of people living with disadvantage, the promotion of equitable social policy, and the development of a dynamic, collaborative and sustainable community sector.

The membership of the Council includes the majority of community based service providers in the social welfare area, a range of community associations and networks, self-help and consumer groups and interested individuals.

ACTCOSS receives funding from the Community Services Program (CSP) which is funded by the ACT Government.

ACTCOSS advises that this document may be publicly distributed, including by placing a copy on our website.

Comment on the Composite Consultation Paper on the National Framework for Non-Economic Distribution and Retail Regulation by the Retail Policy Working Group

ACTCOSS is a participant in the National Consumers Roundtable on Energy and has contributed to the preparation of a joint Consumer Response to the Composite Consultation Paper set out in tabular form. ACTCOSS strongly endorses this Consumer Response which has been prepared by consumer groups with close links to energy consumers and a strong understanding of energy issues affecting consumers and, in particular, low income energy consumers.

ACTCOSS notes the extensive comments produced by the Roundtable in their joint Consumer Response.

ACTCOSS also wishes to address some additional issues of particular importance to energy consumers in the ACT.

Energy is an Essential Service

Access to energy through an electricity supply or a gas and electricity supply is essential to the health and well-being of energy customers and their families. For this reason, a customer's financial difficulties must not be a barrier to connection and continuation of supply. This imperative lends importance to a number of policies described in the Consumer Response:

- conditions about connection to supply such as credit history, security deposits, acceptable identification, etc must be conditions subsequent to connection and not conditions which must be met before supply is connected;
- disconnection must not occur because of financial difficulties alone. Rather a customer in financial difficulties should be moved into an appropriate hardship program involving instalment payment arrangements and creative strategies for reducing consumption, cost of supply and debt.

The Need for Effective Hardship Programs

All retailers should be obliged to have and apply hardship policies and hardship programs which address inability to pay issues.

ACTCOSS strongly supports the existing ACT hardship arrangements which are delivered through a statutory body, the ACT Essential Services Consumer

Council, in conjunction with an obligation on retailers to have in place internal arrangements for identification and management of hardship cases.

ACTCOSS considers that the Composite Paper's Recommendation in relation to "Payment difficulties" is inadequate and that assessment of "capacity to pay" is an integral part of any hardship program. The mechanism for identifying and managing hardship may vary between jurisdictions but it must be founded on a requirement to protect vulnerable consumers as is the case in both of the current ACT and the Victorian arrangements.

Regulation of Smart Meters

ACTCOSS has very grave concerns about the social impact of pre-paid meters on low income consumers. In our opinion, it should be open to jurisdictions to ban PPMs outright (as is the case in Victoria). Where the technology is permitted, it should be strongly regulated along the lines of the current SA regulations. The current ACT regulation of PPMs is adequate but lacks some important features of the SA scheme.

Regulation of PPMs must be finalised before the commencement of the NEL and Rules as the new smart meter technology has an inherent PPM capacity.

Broader Objectives for the National Electricity Law

As currently drafted, the objectives of the NEL are very narrow and reflect a dogmatic belief that "efficient investment" and "efficient operation and use of electricity services" necessarily will contribute to the long-term interests of consumers. ACTCOSS contends that the objectives must be stated in broader terms, must exclude belief systems about the effects of market competition, and, in particular, must make specific reference to social impacts and long-term (generational) sustainability.