



queensland council of social service inc
WORKING FOR A FAIR QUEENSLAND

08 August 2008

Manager, MCE Secretariat
Department of Resources, Energy & Tourism
GPO Box 9839
CANBERRA ACT 2601

MCEMarketReform@ret.gov.au

Dear Sir / Madam,

RE: *Submission on the MCE SCO Table of Recommendations – National Energy Customer Framework*

Thank you for the opportunity to respond to the Ministerial Council on Energy's (MCE) Standing Committee of Officials (SCO) Policy Response Paper, *A National Framework for Regulating Electricity and Gas (Energy) Distribution and Retail Services to Customers* (the Paper)

The Queensland Council of Social Services (QCOSS) is the peak body for over 700 welfare and community sector organisations in Queensland. For 50 years QCOSS has worked to promote social justice and exists to provide a voice for and with Queenslanders affected by poverty and inequality. We act as a Statewide Council that leads on issues of significance to the social, community, and health sectors. We work for a Fair Queensland and develop and advocate socially, economically and environmentally responsible public policy and action by community, government and business.

We note that the MCE SCO has developed the National Customer Framework with considerable input from consumer advocates in the past and believe that as a result of this the framework provides many positive protections for consumer interests. However there are areas of the framework where consumer protection mechanisms could be strengthened. As you will know, the National Consumers Roundtable on Energy (the roundtable) has responded in great detail to each of the recommendations in the consultation paper. QCOSS is in full support of the roundtable's submission and would therefore wish only to highlight concerns in relation to the following areas in the National Energy Customer Framework:

1. Hardship Policy;
2. Payment Methods; and
3. Late Payment Fees.

In particular our response seeks to ensure that the interests and needs of low income and vulnerable households are sufficiently considered in the National Energy Customer Framework.

1. Hardship Policy

QCOSS welcomes the recommendation in the paper requiring retailers to "develop, publish and implement a hardship policy" under 3.5 Obligations in relation to hardship customers. Hardship policies play an important role in the provision of essential services. Not only do they acknowledge the essential nature of the service provided, but they also commit retailer to

engaging in activities designed to mitigate hardship and its effects. We congratulate SCO for including this recommendation.

However, we are concerned with the following aspects that seem to be missing in the hardship policy:

- i) a requirement for specific training of staff (and especially call centre staff) to understand and engage with consumers experiencing hardship; and
- ii) a requirement for informing and/or assisting consumers to implement energy efficiency strategies in order to keep electricity costs down in the long run

These are common issues amongst consumer organisations, and we believe are necessary features for a hardship policy for essential service providers.

2. Payment Methods

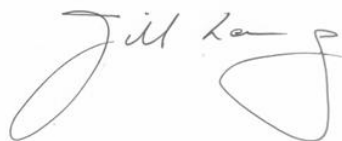
We support the recommendation for alternative payment arrangements for hardship customers. With a number of the population receiving Centrelink payments, it would be beneficial for retailers to utilise, strengthen and advertise Centrepay as a payment method available to all customers that are experiencing financial difficulties, not just those on a hardship scheme. Many Centrelink beneficiaries find Centrepay enormously helpful in enabling them to manage their bills and this is why it is widely used.

3. Late Payment Fees

QCOSS welcomes the recommendation that requires retailers to waive late payment fees for hardship customers. However, under the proposed framework customers receiving concessions on their electricity accounts, that is, Pensioner Concession and Health Care Card holders, will be liable for late payment fees. We do not support this aspect of the recommendation. We would urge MCE SCO to include a requirement that recognises the financial hardship associated with living on a pension, allowance, payment or low income by exempting those with Pension Concession and Health Care Cards from late payment fees. Exemptions for low income consumers protect many who experience financial hardship from the additional hardship brought about by the imposition of a late payment fee.

We look forward to continuing to participate in the process for the National Energy Customer Framework. If you would like any further information or to clarify any aspect of this submission, please feel free to contact me on 3004 6900.

Yours sincerely

A handwritten signature in black ink that reads "Jill Lang". The signature is written in a cursive, flowing style.

Jill Lang
Director

Cc. Hon. Geoff Wilson, MP. Minister for Mines and Energy