



Government of Western Australia  
Department of Housing

Mr Paul Kelly  
ECCC Chairman  
Level 6, Governor Stirling Tower  
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Dear Mr Kelly

**PROPOSED AMENDMENTS TO THE CODE OF CONDUCT FOR THE SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS 2008 – JUNE 2009 RELATED TO PRE-PAYMENT METERS**

I refer to the request for comments in response to the above proposal by the Electricity Code Consultative Committee (ECCC) and the related Discussion Paper 1. The Aboriginal Housing Services Directorate (AHS) of the Department of Housing has a keen interest in this issue due to its major role as a housing and essential services provider to remote and town based Aboriginal communities in Western Australia.

The Cost Benefit Analysis of pre-payment meters (PPMs) undertaken by the Allen Consulting Group (the Allen Report) confirms the experience of AHS, in relation to the many benefits to be gained from the use of PPMs in Aboriginal communities. As you would be aware, this Department has worked closely with the Commonwealth Government and Horizon Power over a number of years to progress the use of PPMs as part of efforts to address the many challenges of electricity supply in these locations. This applies both to communities covered by Part 9 of the above Code and other communities, which are largely self supplied.

In addition to the stated advantages to retailers in terms of account management and debt recovery, AHS considers that PPMs are an appropriate response to the often highly mobile and transient nature of a proportion of the Aboriginal population in these communities. PPMs have also generally been well received by the community residents and are an appropriate response to the often low levels of financial literacy and budgeting skills that have historically contributed to high levels of debt in many communities.

This Department supports the proposed amendments to the Code, which will enable the use of PPMs in locations outside of those targeted through the Town Reserves Regularisation Program (TRRP) and the Aboriginal and Remote Communities Power Supply Program (ARCPSP). The current restrictive application potentially limits the use of PPMs in communities that may be regularised under different funding programs (e.g. using Commonwealth funding) and is also vulnerable to a change in the name or the status of either the TRRP or the ARCPSP.

While the benefits of PPMs are acknowledged, AHS supports the efforts of the Economic Regulatory Authority to ensure that the use of PPMs does not result in additional

hardship to customers or reduce the choices available to these customers. The Department therefore supports amendments, which will ensure that customers can make an informed choice about the use of PPMs; allow for a trial period at no cost to the customer; improve monitoring of disconnections and financial hardship issues; and which ensure equitable access to hardship assistance payments.

It is understood that Horizon Power has a number of concerns regarding the practicality of some of the recommendations. This Department is not in a position to comment on the availability or otherwise of the required technology, however, it is recommended that a practical approach is taken to implementation that acknowledges the often extremely remote localities. Appropriate transitional provisions are likely to be required in order to ensure that new requirements, that may have cost or technological implications, do not threaten the short term use of PPMs or government efforts to address the current disparities in the supply of electricity to Aboriginal communities that are reiterated in the Allen Report.

Thank you for the opportunity to provide comment on this important issue.

Yours sincerely

JAMES BUTTERWORTH  
A/EXECUTIVE DIRECTOR  
ABORIGINAL HOUSING SERVICES

19 August 2009