



wacoss

Western Australian
Council of Social Service Inc

*Ways to make
a difference*

Mr Paul Kelly
Chairman
Electricity Code Consultative Committee
197 St Georges Tce
PERTH WA 6000

29/06/09

Dear Mr Kelly

RE: REQUEST FOR COMMENT FROM INTERESTED PARTIES

Thank you for the opportunity to provide further comment on the proposed amendment to clause 6.10.5):

The *retailer* must, unless otherwise notified in writing by the *Authority*, review the *Hardship Policy* at least annually and submit to the *Authority* the results of that review within *5 business days* after it is completed.

- a) The *retailer* may, at any time, review the *Hardship Policy* and submit to the *Authority* the results of that review within *5 business days* after it is completed.
- b) Any review of the *Hardship Policy* must have regards to the Authority's Financial Hardship Policy Guidelines
- c) When the *retailer* has reviewed the *Hardship Policy* pursuant to clauses 6.10.5 or 6.10.5 a, the *Authority* will examine :
 - i) the review pursuant to clause b; and
 - ii) The *Hardship Policy*.

In light of the decision made at the ECCC meeting on the 30th of April, 2009, WACOSS put forward the above proposed amendment.

As discussed in our original recommendation, WACOSS believes that the current regulatory provisions for customers experiencing financial hardship do not afford WA consumers adequate protection, nor meet best practice regulation in Australia. WA consumers will continue to be at a disadvantage unless the regulatory protections concerning Financial Hardship policies are improved, through the enforcement of the ERA.

Presently WA has amongst the highest rate of disconnections in the country, complaints to the Energy Ombudsman continue to rise,¹ and pressures on consumer representatives in the community services sector for financial and representative assistance continue to grow. Despite commendable improvement in the past twelve months by retailers, the issue of Utility Hardship remains very live.

¹ 2006, Energy Industry Ombudsman (Western Australia) Limited, Annual Report Energy Industry Ombudsman (Western Australia) Limited, 2005-2006

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The ERA Guidelines on Financial Hardship policies serve as a useful tool for retailers but do not afford vulnerable consumers in the WA market with adequate regulatory protection.

Current Australian best practice is for a regulatory body to approve retailers' hardship policies. In Victoria, the Energy Legislation (Hardship, Metering and Other Matters) Act 2006, empowers the Essential Services Commission (Victoria's regulatory body) to approve utilities hardship policies against guidelines set by the commission. This allows the Commission to publish compliance audits of the utilities to ensure the application of their hardship policies are:

- monitored,
- reported on and
- enforced.

WACOSS strongly believes that WA consumers should be afforded a similar level of regulatory consumer protection and that Financial Hardship policies, policies that effect the most disadvantaged Western Australian's, should also be monitored, reported on and enforced by an independent body.

WACOSS therefore urges the ECCC to recommend this amendment to the Authority for further consideration.

Yours Sincerely

Sue Ash
Chief Executive Officer