

From: sally@palmbeachnc.org.au
Sent: Wednesday, 12 July 2017 8:29 AM
To: Retail Electricity Inquiry
Subject: TRIM: ACCC Retail Electricity pricing inquiry

HP TRIM Record Number: D17/95420

Hi,

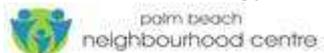
I refer to recent correspondence I have received regarding the ACCC inquiry into the supply and pricing of retail electricity in Qld.

I have recently completed a QCOSS funded project called *switched On*, which I conducted on the Gold Coast for the vulnerable members of the community and also to the workers from various community organisations. From the feedback I received during this time, I believe there needs to be further investigation into the operation and pricing of SE Qld energy. I have attached below extracts from my final report and trust that this information may be of assistance with your inquiry.

Regards
Sally

Sally Dickinson

Switched On – Energy Education Officer



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Extract from Switched On Acquittal Report:

DID YOU ENCOUNTER ANY CHALLENGES OR SYSTEMIC ISSUES THAT IMPACTED THE OUTCOME ABLE TO BE ACHIEVED FOR YOUR TARGET AUDIENCE / OTHER FACTORS IDENTIFIED:

What policy changes do we need to ADVOCATE for?

A Sustainable payment plan for ALL Energy providers to follow

- There is currently a voluntary framework undertaken by some of the providers and already a change in the Hardship Department has been recognised (with Origin) with a more flexible, supportive, understanding conversations having been held with this team.

The Sustainable payment plan needs to include:

- A framework to improve the conversations between energy providers and customers who are experiencing payment difficulties and actions to assist providers to set up payment plans that are affordable and sustainable.
- Showing respect to the individual customer and an understanding of the customer's financial hardship and also providing a flexibility of options when reviewing the individual's case that in the end works to a positive solution for both individual and retailer.

LEARNING AND FINDINGS

Identified problems with the absence of a standard “Standing Offer” tariff

- There should be a standard benchmark/ standing tariff for all providers to set their tariffs from.
- Without this standard benchmark, consumers may be under the incorrect understanding that their “20% discount is better than another provider offering 5% but with lower tariffs”
- This lack of rules allows the retailers to offer exaggerated standing tariffs to advertise a higher discount. Retailers are offering high discounts up to 20% or more which sound great but do not show the true cost paid by consumers

It is evident that the Energy providers are not respecting their customer loyalty with:

A LIMITED benefit period

- Commonly tariffs go back to a high standard offer unless the consumer shops around or renews their contract.
- More education is required from the consumers to review their contracts regularly

DISCOUNTED benefits

- Some of the discounts offered by retailers are conditional such as paying on time, or paying by direct debit. For those vulnerable consumers that find direct debits difficult to manage, or for those that experience an unexpected financial difficulty these discounts are not available

Summary from project findings:

Information gathered from the Switched On project emphasises that a majority of household consumers are not receiving a discount on their energy usage. They are also unaware that they can ring their existing provider to ask for a better deal.

With new knowledge gained from the Switched On program, majority of these consumers are content to remain with their existing energy providers, provided they receive a competitive discount on their bill.

Many of the vulnerable consumers (approx. 50%) reached, did not know what type of plan they were on with their energy provider and what a ‘Standing Offer’ was. Majority of these consumers were entitled to receive discounts for paying on time and/or having established a direct payment though were receiving no benefits back to them with their energy usage.

Energy call centres need to be up to date with discounted % offers

Recently I had a 30 minute call with Origin seeking a better plan for my client. I was aware that their discounted plans had increased to 14% and was seeking this for my client who paid her bills on time and also paid by direct debit. I was advised (quite adamantly) that there were no better plans for my client who was at that time receiving 8%. I requested to be transferred to the Resolution Team who promptly transferred the client’s account to the 14% plan. The following week with another Origin client, a call was made to switch to the 14% plan – this was achieved with the first Origin representative and within a more acceptable time frame:

Summary from project findings:

There can be excessive time spent to achieve the expected outcomes for clients. For a vulnerable consumer, seeking the best energy plan from their retailer it can be very overwhelming with no support.

Not receiving applicable rebates

On various workshops I have presented, I have come across members of the public who have brought in their electricity bills and are not receiving the Qld Government Electricity rebates they are entitled to. In some cases, this

has been because the electricity was previously in their partner's name who recently passed away. A family member may have helped switch the electricity across to the surviving spouse but did not advise of the pensioner's concession or senior's card.

Volunteers at a recent workshop were unaware of the Qld Government rebate for Health Care cardholders, they have since approached their energy retailer and are now receiving this rebate. It is pleasing to note that the Qld Government is extending the backdate offer for Health Care cardholders to the end of this year as promotion of this rebate is needed.

I have also identified a minority of vulnerable consumers that were not aware of the applicable Qld Cooling and Heating and other health energy related rebates that are available to them. They have now accessed the application forms and are receiving the entitled rebate.

Summary from Switched On findings:

Further education is required about the rebates and benefits available for the vulnerable consumers as it is evident there are many that are missing out on their entitlements

Energy Made Easy website

This website, designed to allow householders to compare providers and prices without any pressure from retailers has been a very useful tool with the Switched On workshops. Though more knowledge and information about this website is needed for the public as many participants identified during the Switched On program are unaware of this site.

Although there has been public advertising in the media for Energy Made Easy, there still remains a minimal awareness of this website with the vulnerable consumers I have come across. There also appears to be a low level of confidence with some of these consumers to use this website without assistance.

Summary

The Switched On project has been instrumental in making a significant difference to the vulnerable members of our community with electricity and other utility expenses being recognised as an ongoing major concern on the Gold Coast. The workshops and one-on-one sessions we have delivered on the Gold Coast have focused on enhancing the skills, knowledge and confidence of the vulnerable consumers and also to the Community Agency staff dealing directly with these at risk consumers of the Gold Coast. By education and focusing on enhancing cost of living skills for the vulnerable consumers, we have been able to address these needs and at the same time reduce the risks of these consumers becoming financially disadvantaged.

The feedback from the community is that programs such as Switched On are vital to improve the quality of life for the vulnerable consumer. There is a major concern that too many people do not know what they're entitled to and how much they could benefit from these entitlements. Queensland Government needs to consider continuing comprehensive education campaigns including the Switched On program to ensure that ALL consumers including the vulnerable in SEQ have this knowledge and the understanding of the need to properly engage with the deregulated market which only came in 12 months ago. The limited timeframe given for this project was insufficient to meet the needs of all the vulnerable and at risk consumers on the Gold Coast.

Electricity is a fundamental requirement in our everyday lives. There is an evident strong demand from various community agencies and groups that the Switched On program needs to continue. This will ensure that this educational information can be provided to a larger number of the vulnerable consumers of our community to reduce their cost of this essential everyday living expense.